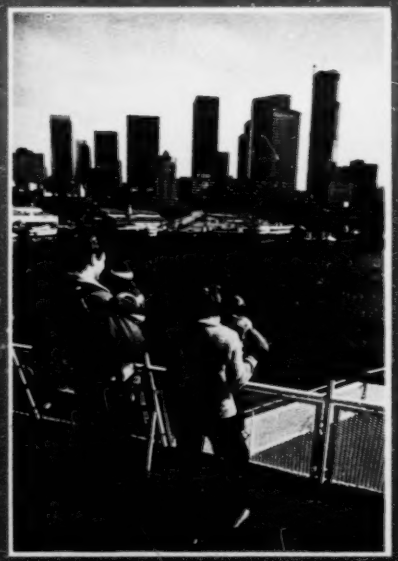

STATE OF WASHINGTON

1985 ANNUAL FINANCIAL REPORT

RIVERFRONT PARK

In Spokane, the landmark Great Northern Clock Tower is in silhouette, along with the framework from the U.S. Pavilion. Both are a part of the 100-acre Riverfront Park, a beautiful urban area that remains a legacy from Expo '74.

MOUNTAIN AND GRAIN TERMINAL

12,307' Mount Adams stands on the horizon near the community of Goldendale in Southcentral Washington. The grain elevator in the foreground stores grain grown in the area, awaiting transfer to nearby shipping facilities on the Columbia River.

RIVER RAFTING

This group of rafters is getting a close up view of Sunset Falls on the south fork of the Skykomish River, a favorite put-in spot for rafting on the Skykomish, just off U.S. Highway 2 near the town of Index.

COUPLE ON FERRY

Welcome to Washington State Ferries, America's largest ferry system. The system functions as a marine highway in Puget Sound and the San Juan Islands, providing access to waterfront communities for residents and visitors alike. This ferry is leaving Seattle for Winslow on Bainbridge Island.

(Photos courtesy of the Washington State Department of Trade and Economic Development, Tourism Division)

STATE OF WASHINGTON

Booth Gardner, Governor

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 1985

Prepared by
Office of Financial Management
Orin C. Smith, Director

Audited by
Office of State Auditor
Robert V. Graham, State Auditor

OLYMPIA, WASHINGTON

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INTRODUCTORY SECTION

STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, M.S. AQ-44 • Olympia, Washington 98504 • (206) 753-5450

December 27, 1985

M E M O R A N D U M

TO: The Honorable Booth Gardner, Governor
and Members of the Legislature

FROM: Marin C. Smith, Director

SUBJECT: 1985 ANNUAL FINANCIAL REPORT

In accordance with Chapter 43.88 RCW, it is my pleasure to transmit to you the "Annual Financial Report" of the state of Washington for the fiscal year ended June 30, 1985. This report has been prepared in conformance with generally accepted accounting principles (GAAP) by my staff with the assistance of all state agencies. This report reflects the continued improvement of the financial position of the state of Washington as evidenced by the $156.7 million improvement in the General Fund equity from Fiscal Year 1984.

The State Auditor has performed an examination, in accordance with generally accepted auditing standards, of the financial statements. His opinion is in a separate letter presented herein.

The accompanying 1985 Annual Financial Report is a general purpose financial statement prepared in conformance with GAAP, applicable to government units as promulgated by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board (GASB). The state of Washington fully supports the efforts of the GASB and we will continue to implement accounting policies in accordance with its pronouncements as they are released. This report represents the fourth audited state of Washington Annual Financial Report.

Report Structure

This 1985 Annual Financial Report is comprised of three sections as recommended by the National Council on Governmental Accounting: an introductory section, which provides an introduction and a summary of condensed statewide data; a combined financial statements and schedules section, which provides formal audited financial statements and explanatory notes; and a statistical section, which provides unaudited supplementary demographic and economic data regarding the general economic condition of the state.

Major Responsibilities

Office of Financial Management - The Office of Financial Management (OFM) is responsible for prescribing financial and accounting policies and procedures, developing the Governor's Budget, collecting financial data from individual agencies, development and enforcement of allotment control procedures, and compiling financial statements in conformance with GAAP.

State Auditor - The State Auditor, an elected official, independent from the issuance of accounting policies or operation of the state financial systems, is responsible for annually auditing the statewide combined financial statements prepared by state agencies and OFM and performing post-audits of state agencies and local government entities.

State Treasurer - The State Treasurer, an elected official, is responsible for formulating and executing policy for the management of the state treasury and related financial resources of the state of Washington.

State Agencies - Agency directors are responsible for administering their agencies in accordance with legislative mandates and presenting the general ledger trial balance, which includes individual accounting entities, reports of revenues, expenditures/expenses, and fixed assets.

Financial Summary

In prior fiscal years, the state of Washington kept its budgetary basis accounting records open until August 10 to recognize the collection of cash receipts consisting of sales and business and occupation taxes. These receipts were recorded as cash revenues (i.e., cash offset by revenue) on the budgetary accounting records. Since the budget in this state is currently prepared on a cash basis, this process of charging back cash revenues to the preceding budget period is not considered appropriate. On a cash basis, it is appropriate that only revenues and expenditures that have been received or paid during the period be recognized.

In the past, as a result of this policy of charging back 41 days of revenue, the state experienced cash flow problems and had to resort to short-term borrowing. During the 1983 Session of the Legislature, Senate Bill #3258 was enacted, increasing the sales, business, and occupation taxes in order to balance cash requirements of the state budget and eliminating the use of cash collected after July 10th.

Primarily because of these events described in the preceding paragraphs, the equity of the general fund for Fiscal Year 1985 increased by $156.7 million. Also, for all funds, total revenues exceeded expenditures/expenses by $769.3 million and total fund equity increased by $501.7 million. The following summary (amounts expressed in millions) presents a comparison change in fund equity, revenues, and expenditures/expenses for Fiscal Years 1984 and 1985:

Fund Equity (millions)	FY 85	FY 84	Incr/(Decr)
General Fund	$ 18.5	$ (138.2)	$ 156.7
Special Revenue Funds	241.8	330.6	(88.8)
Debt Service Funds	55.8	61.2	(5.4)
Capital Project Funds	37.5	105.6	(68.1)
Enterprise Funds	269.1	376.2	(107.1)
Internal Service Funds	131.4	130.4	1.0
Trust Funds	6,647.2	6,033.8	613.4
TOTAL	$ 7,401.3	$ 6,899.6	$ 501.7

Revenues (millions)	FY 85	FY 84	Incr/(Decr)
Taxes	$ 4,633.0	$ 4,340.5	$ 292.5
Licenses, Permits and Fees	229.2	220.3	8.9
Federal Grants-in-Aid	1,795.7	1,544.7	251.0
Charges for Services	633.8	592.3	41.5
Contributions for Pensions Unemployment Comp. & Workmen's Compensation	1,798.1	1,648.1	150.0
Sales of Merchandise	352.8	339.4	13.4
Misc. and Nonoperating	1,817.6	1,736.7	80.9
TOTAL	$11,260.2	$10,422.0	$ 838.2

Expenditures/Expenses(millions)	FY 85	FY 84	Incr/(Decr)
General Government	$ 2,051.8	$ 1,843.0	$ 208.8
Human Resources	3,657.9	3,284.6	373.3
Natural Resources	292.6	272.0	20.6
Transportation	943.5	729.3	214.2
Education	3,545.1	3,256.5	288.6
TOTAL	$10,490.9	$ 9,385.4	$1,105.5

Financial Management Improvements

The state of Washington, through positive action by the legislative and executive branches of government over the past years, has made a firm commitment to improve the financial management policies and operational systems of the state. This commitment is substantiated by the changes that have occurred in legislation, state administrative and financial policies, and system improvements. The following are examples of specific legislative enactments that are contributing to the state's objective of adopting national standards for the financial management of state resources:

- Generally Accepted Accounting Principles Adopted. During 1984 Session of the Legislature, Senate Bill #4504 was enacted by law. This legislation requires that the Director of OFM "...shall devise and maintain a comprehensive budgeting, accounting and reporting system in conformance with generally accepted accounting principles applicable to state government." In addition, this legislation requires the publication "...within six months of the end of the fiscal year, as a matter of public record, an annual financial report that encompasses all funds and account groups of the state."

- Inconsistent Statutory Classification of Funds Eliminated. During 1985 Session of the Legislature, Senate bill #3572 was enacted by law, which amended various statutes to allow the classification of 38 accounts in accordance with GAAP. These statutes previously had contained language specifying that these accounts be classified in the state general fund. This law was effective July 1, 1985, for Fiscal Year 1986.

Future Plans

The state of Washington is engaged in a project leading towards the publication of a Comprehensive Annual Financial Report (CAFR). This report will provide the state's financial position at the individual fund level. The state is planning to present its first CAFR for this year (Fiscal Year 1985). It is anticipated that the CAFR for the fiscal year ending June 30, 1985, will be available in January 1986. Following the production of the CAFR for the state of Washington, we plan to submit it to the Governmental Finance Officers Association for review under the Certificate of Conformance program.

Improving state financial policies and systems is a high priority of the Governor, Legislature, other statewide elected officials, and agency financial managers. The following improvements are under development:

- Complete the evaluation of the impact of changing the state's budgeting system to GAAP to allow final implementation in the 1987-89 Biennium.

- Complete the development of an automated modern budgeting system that conforms to GAAP.

- Request legislation to eliminate the remaining ten days of charge-back revenue in the budget process.

- Develop an automated accounts receivable subsidiary ledger for use by 122 state agencies using the AFRS/TAS system, the state's automated central general ledger system.

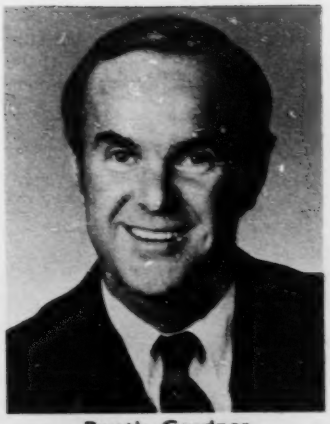
- Develop a labor distribution and supply inventory system for use by the 122 state agencies using the AFRS/TAS system.

- Develop and conduct training classes for state accounting and budgeting employees concerning GAAP accounting as it relates to the state of Washington accounting system.

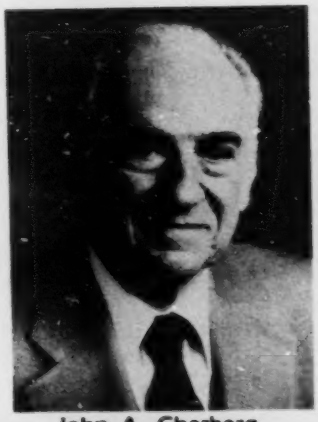
The state of Washington has dramatically improved the financial management policies and systems utilized by state agencies and institutions. These improvements have been fully supported by the Legislature, elected officials, central control agency management, and agency directors. This support has significantly strengthened the fiscal position of the state of Washington.

OCS:MC:dh

STATE OF WASHINGTON
Listing of Elected Executive Officials
June 30, 1985

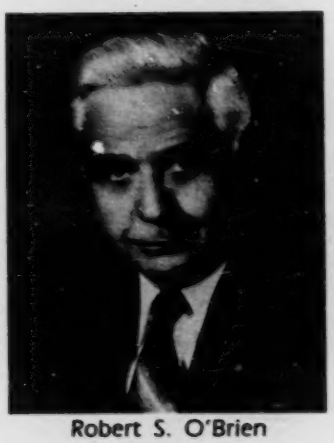


Booth Gardner
Governor

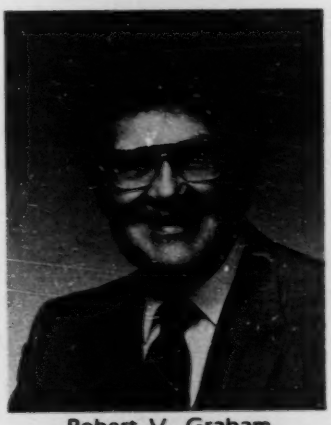


John A. Cherberg
Lieutenant Governor

Ralph Munro
Secretary of State



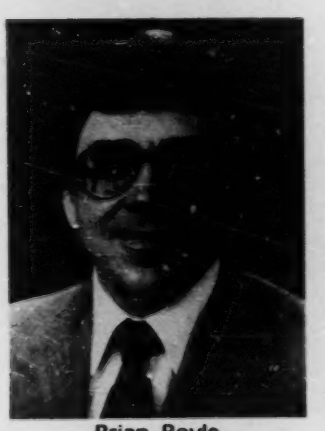
Robert S. O'Brien
Treasurer



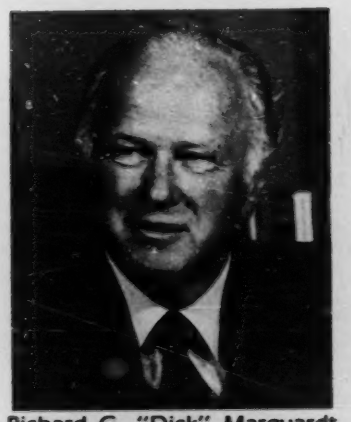
Robert V. Graham
Auditor

Ken Eikenberry
Attorney General

Dr. Frank B. Brouillet
Superintendent of
Public Instruction

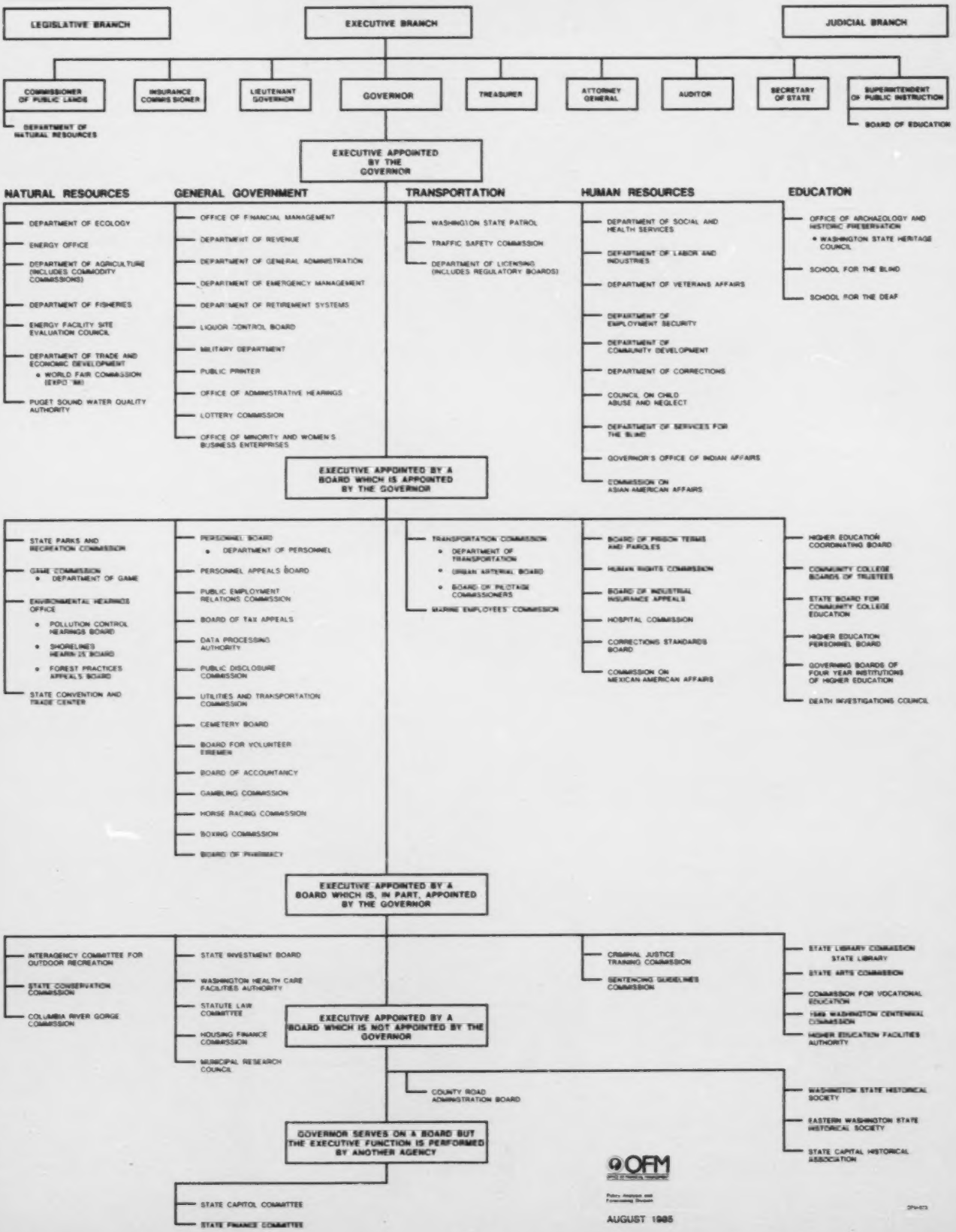


Brian Boyle
Commissioner of
Public Lands



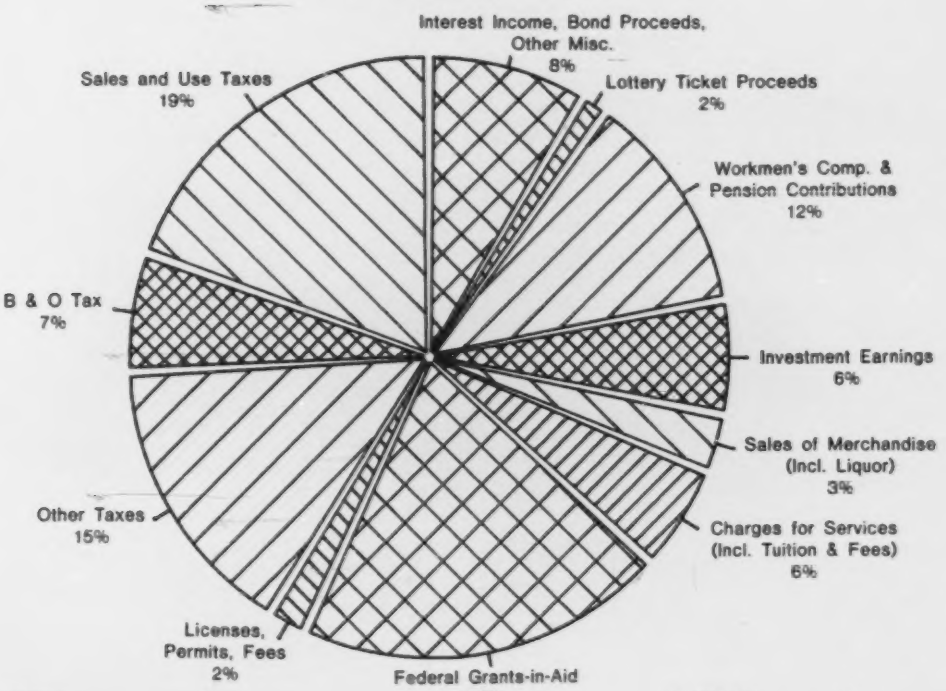
Richard G. "Dick" Marquardt
Insurance Commissioner

ORGANIZATION OF WASHINGTON STATE GOVERNMENT
BASED ON GUBERNATORIAL APPOINTMENT AUTHORITY



STATE OF WASHINGTON
Revenues by Source, All Funds

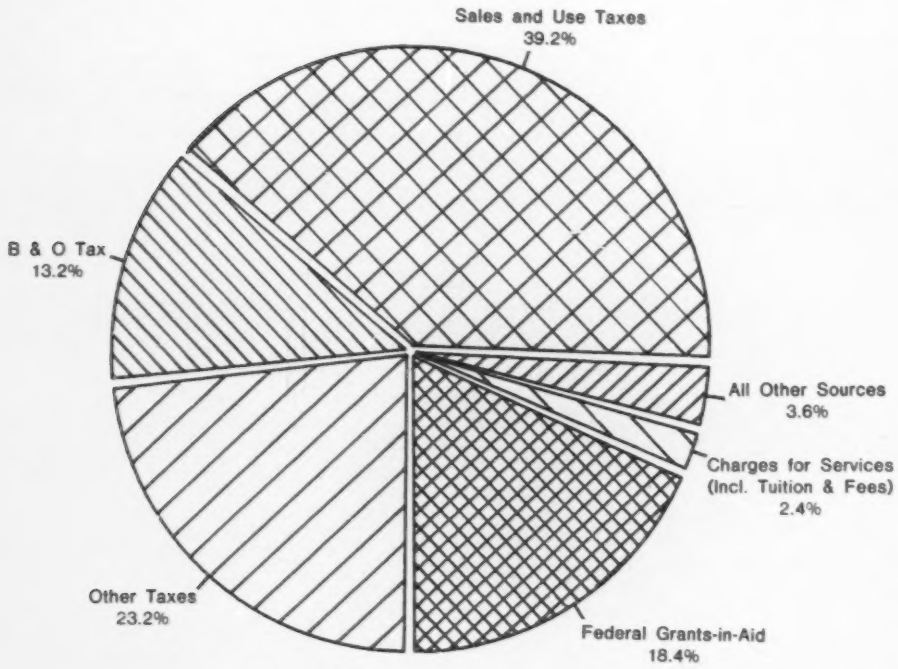
Fiscal Year Ended June 30, 1985
(Dollars in Thousands)


Interest Income, Bond Proceeds, Other Misc. 8%
Lottery Ticket Proceeds 2%
Workmen's Comp. & Pension Contributions 12%
Investment Earnings 6%
Sales of Merchandise (Incl. Liquor) 3%
Charges for Services (Incl. Tuition & Fees) 6%
Federal Grants-in-Aid 20%
Licenses, Permits, Fees 2%
Other Taxes 15%
B & O Tax 7%
Sales and Use Taxes 19%

		$ (000's)	%
TAXES			
Sales and Use Taxes		2,187,962	19%
B & O Tax		723,608	7%
Other Taxes:		1,721,398	15%
Fuel	371,690		
Liquor, Tobacco, Amusement	210,186		
Property	503,146		
Public Utility	151,645		
Excise	330,383		
Other	154,348		
LICENSES, PERMITS & FEES		229,218	2%
FEDERAL GRANTS-IN-AID		2,245,687	20%
Labor	655,393		
Health and Human Services	793,466		
Transportation	370,536		
Other	426,292		
CHARGES FOR SERVICES		633,776	6%
Tuition & Fees	188,890		
Other	444,886		
SALES OF MERCHANDISE		352,770	3%
Liquor	215,184		
Other	137,586		
MISCELLANEOUS		2,558,483	
Investment Earnings	692,237		6%
Pension Contributions	707,956		6%
Workmen's Comp. Contribution	640,136		6%
Lottery Ticket Proceeds	156,624		2%
Other	361,530		3%
NON-OPERATING REVENUE		607,281	5%
Interest Income	268,242		
Bond Sale Proceeds	325,711		
Other	13,328		
Total Gross Revenues		11,260,181	100%

STATE OF WASHINGTON
Revenues by Source, General Fund

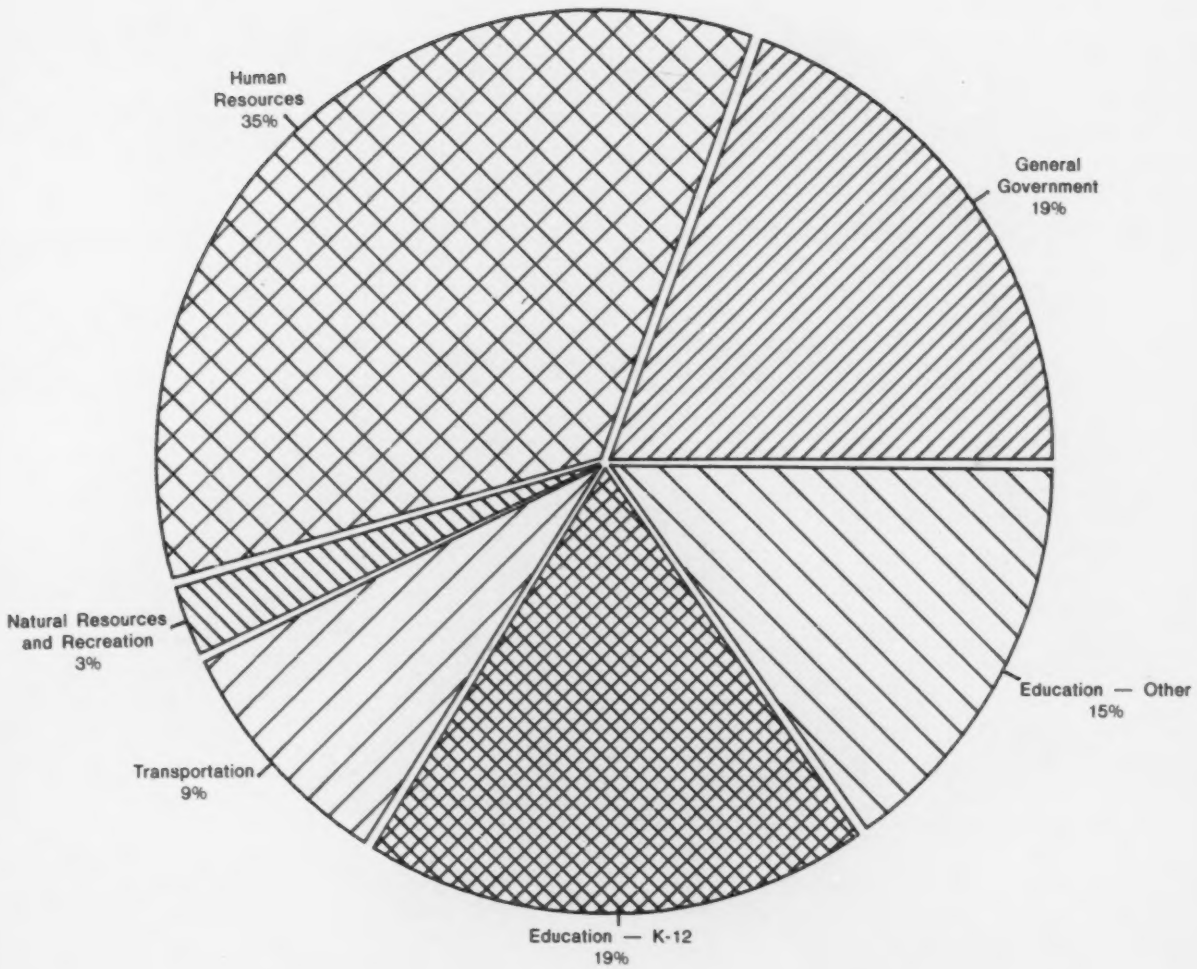
Fiscal Year Ended June 30, 1985
(Dollars in Thousands)



		$ (000's)	%
TAXES			
Sales and Use Taxes		2,147,056	39.2%
B & O Tax		723,608	13.2%
Other Taxes:		1,264,981	23.2%
Fuel	2,836		
Liquor, Tobacco, Amusement	175,772		
Property	503,146		
Public Utility	151,645		
Excise	277,326		
Other	154,256		
LICENSES, PERMITS & FEES		37,852	.7%
FEDERAL GRANTS-IN-AID		1,005,055	18.4%
Labor	62,113		
Health and Human Services	694,521		
Transportation	4,513		
Education	109,864		
Other	134,044		
CHARGES FOR SERVICES		133,191	2.4%
Tuition & Fees	116,482		
Other	16,709		
MISCELLANEOUS		114,404	
Investment Earnings	32,233		.6%
Property & Timber Management	46,142		.8%
Other	36,029		.7%
NON-OPERATING REVENUE		44,411	.8%
Operating Transfers In	39,836		
Other	4,575		
Total Gross Revenues		5,470,558	100.0%

STATE OF WASHINGTON
Expenditures/Expenses by Function, All Funds

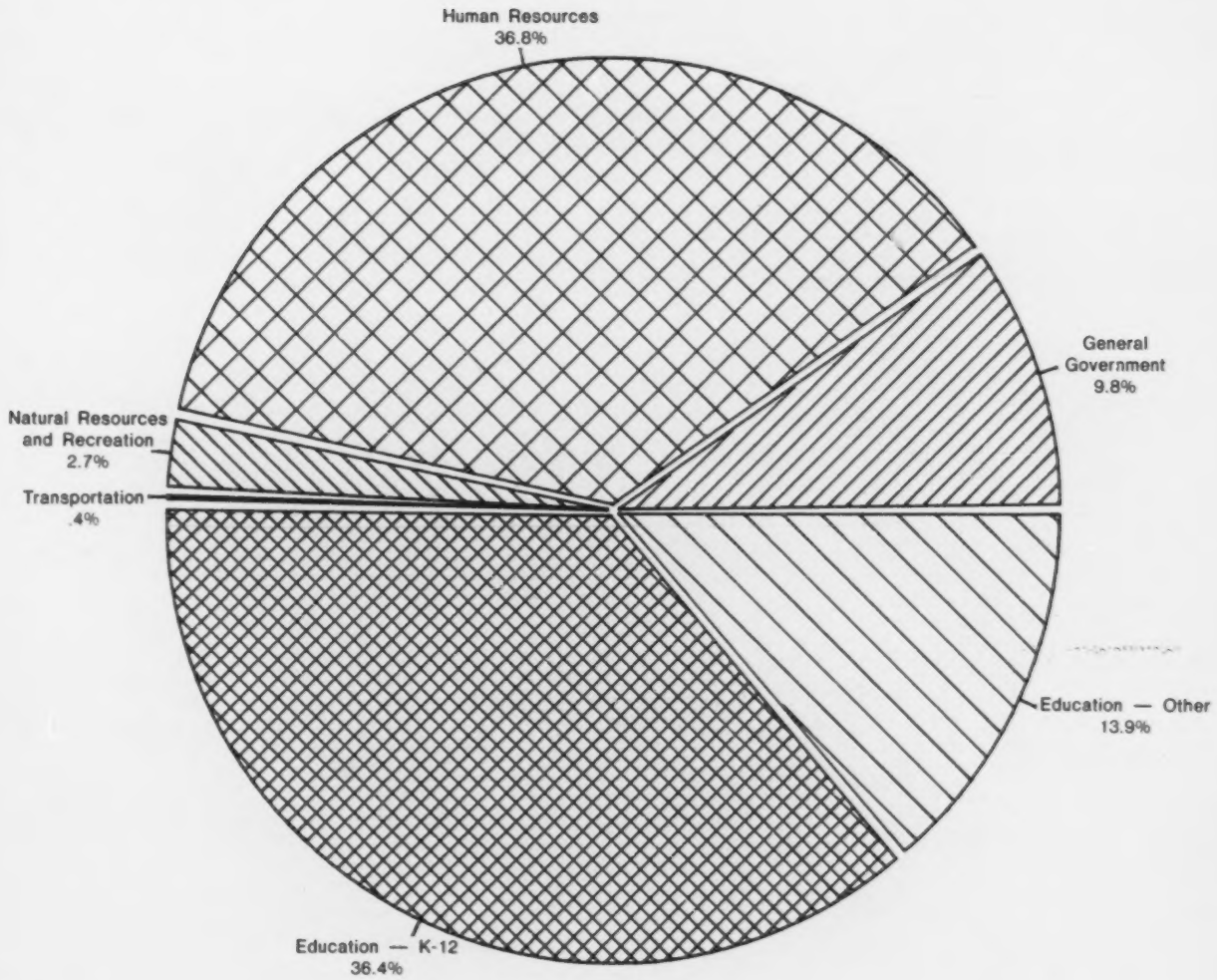
Fiscal Year Ended June 30, 1985
(Dollars in Thousands)



	$ (000's)	%
General Government	2,051,777	19%
Human Resources	3,657,910	35%
Natural Resources and Recreation	292,548	3%
Transportation	943,491	9%
Education — K-12	1,952,298	19%
Education — Other	1,592,840	15%
Total Gross Expenditures/Expenses	10,490,864	100%

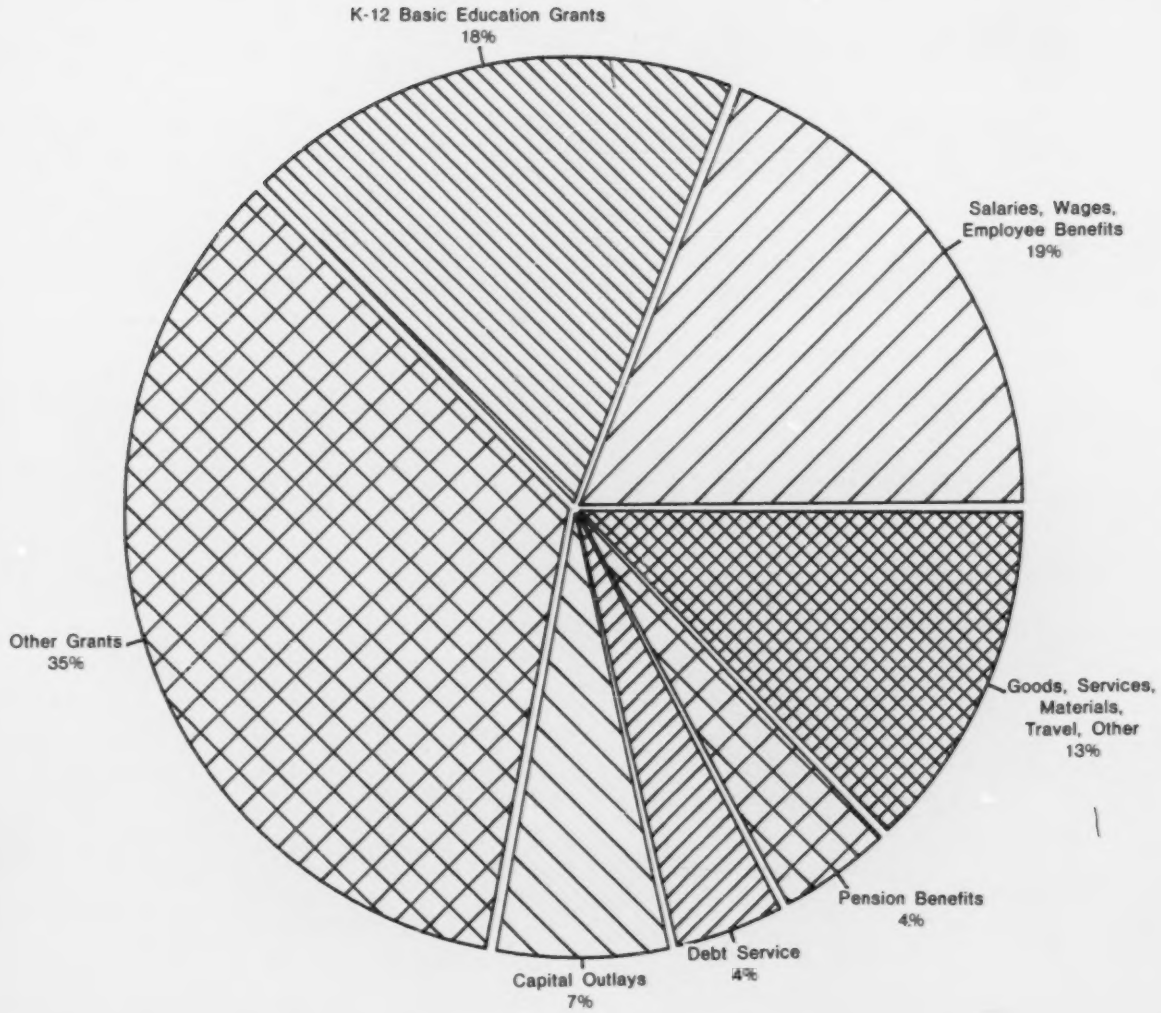
STATE OF WASHINGTON
Expenditures/Expenses by Function, General Fund

Fiscal Year Ended June 30, 1985
(Dollars in Thousands)



	$ (000's)	%
General Government	519,417	9.8%
Human Resources	1,952,384	36.8%
Natural Resources and Recreation	144,834	2.7%
Transportation	21,760	.4%
Education — K-12	1,932,919	36.4%
Education — Other	738,546	13.9%
Total Gross Expenditures/Expenses	5,309,860	100.0%

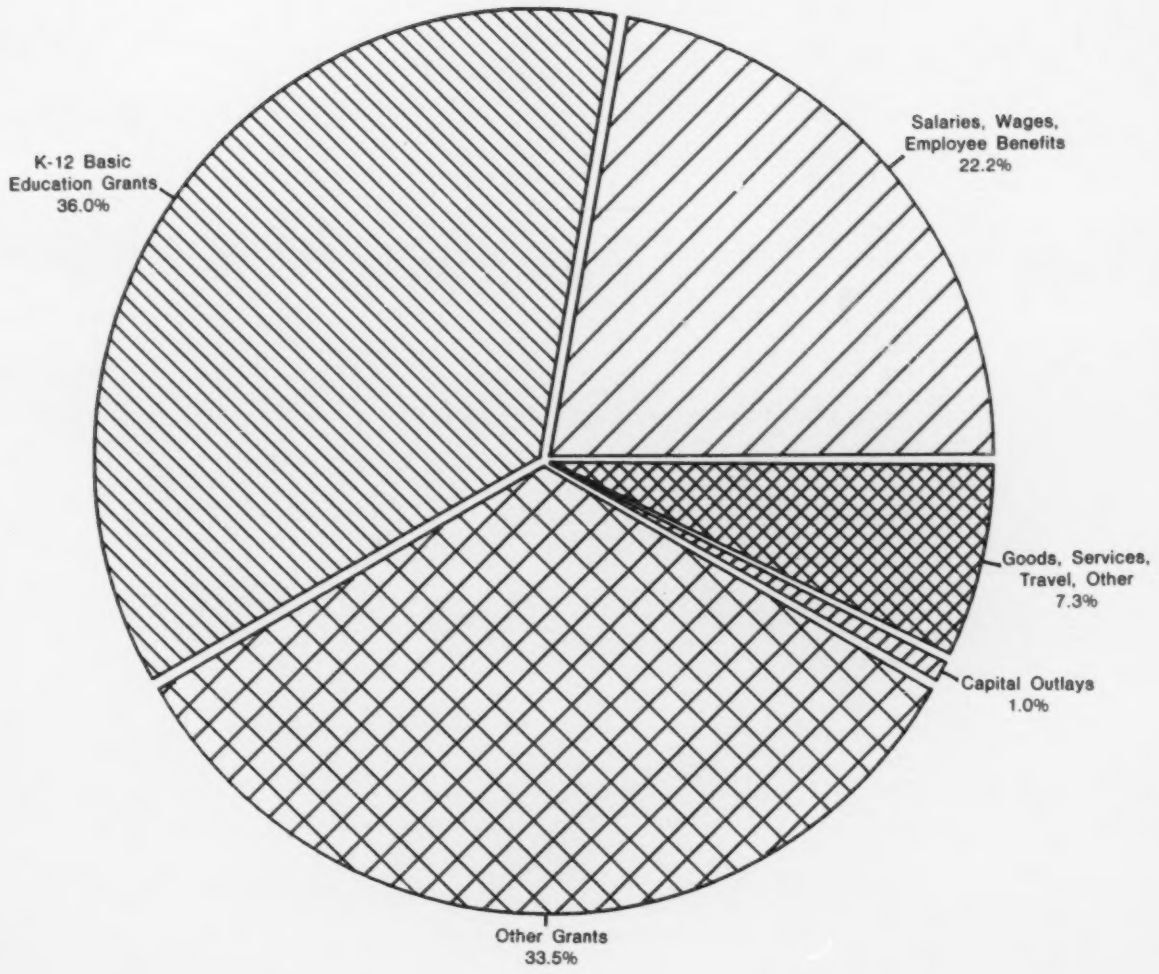
STATE OF WASHINGTON
Expenditures/Expenses by Object, All Funds
Fiscal Year Ended June 30, 1985
(Dollars in Thousands)



		$ (000's)	%
Salaries, Wages, Employee Benefits		2,005,758	19%
K-12 Basic Education Grants		1,913,490	18%
Other Grants:		3,633,202	35%
Public Assistance	1,139,432		
Workers' Compensation Benefits	849,177		
Unemployment Compensation	469,683		
Other	1,174,910		
Capital Outlays		681,635	7%
Debt Service		442,105	4%
Pension Benefits		460,975	4%
Goods, Services, Materials, Travel, Other		1,353,699	13%
Total Gross Expenditures/Expenses		10,490,864	100%

STATE OF WASHINGTON
Expenditures/Expenses by Object, General Fund

Fiscal Year Ended June 30, 1985
(Dollars in Thousands)


Salaries, Wages, Employee Benefits 22.2%
K-12 Basic Education Grants 36.0%
Goods, Services, Travel, Other 7.3%
Capital Outlays 1.0%
Other Grants 33.5%

		$ (000's)	%
Salaries, Wages, Employee Benefits		1,179,241	22.2%
K-12 Basic Education Grants		1,913,490	36.0%
Other Grants:		1,776,818	33.5%
Public Assistance	1,139,432		
Other	637,386		
Capital Outlays		55,046	1.0%
Goods, Services, Travel, Other		385,265	7.3%
Total Gross Expenditures/Expenses		5,309,860	100.0%

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

ROBERT V. GRAHAM
STATE AUDITOR

DARRELL K. RUSSELL, CPA
ASSISTANT STATE AUDITOR

The State of Washington

OFFICE OF STATE AUDITOR
LEGISLATIVE BUILDING AS-21
OLYMPIA, WASHINGTON 98504
(206) 753-5277

December 23, 1985

AUDITOR'S OPINION

The Honorable Booth Gardner
Governor, State of Washington

Dear Governor Gardner:

SCOPE

We have examined the general purpose financial statements for the fund types and account groups of the state of Washington as of and for the year ended June 30, 1985. Except as set forth in the following paragraphs, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We did not examine the financial statements of the University Hospital which reflect 6 percent of revenues and 6 percent of assets in special revenue funds. We also did not examine the financial statements of the University of Washington's Metropolitan Tract which reflect 28 percent of revenues of the nonexpendable trust funds. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included by the University of Washington for the above operations, is based solely upon the reports of other auditors.

Due to inadequate receivable subsidiary ledger systems at the Department of Social and Health Services, we could not confirm or verify by other means 78 percent of other receivables in the General Fund. These receivables relate to amounts in accrued liabilities, due to other governments and deferred revenue.

As disclosed in Note 3.Q., current and long-term worker's compensation benefits payable, in the amounts of $396 million and $1.8 billion, respectively, represent the current liability and present value of future liabilities. These amounts were determined by Department of Labor and Industries' actuaries and were not substantiated by an independent certified actuary or by alternative audit procedures.

The Department of Retirement Systems' actuarial determinations disclosed in Note 5 were developed by the Acting State Actuary. An opinion of an independent certified actuary was not obtained, and alternative audit procedures were not applied to substantiate amounts disclosed in this note to the financial statements.

Inadequate fixed asset subsidiary ledger systems were noted at Department of Transportation, Department of General Administration, State Patrol, Department of Licensing, Department of Social and Health Services, Department of Game and Department of Natural Resources. As a result, we could not substantiate 12 percent of fixed assets in the general fixed asset account group and 60 percent of fixed assets in the enterprise funds.

The State Investment Board has executed an agreement with the principal custodian of the state's investments. Under the terms of the agreement, the custodian, The Chase Manhattan Bank, N.A., may, at its discretion and on the state's behalf, lend securities owned by the state. Up to $1.4 billion of state-owned securities may be on loan at any one time. On June 30, 1985, $772 million in securities, reported as investments in the financial statements, were on loan. The collateral for those loans was held by the custodian, and consisted of certificates of deposit in offshore branches of domestic banks, U.S. Treasury bills, corporate notes and reverse repurchase agreements. We have referred the lending agreement to the Office of Attorney General to determine compliance with applicable statutes.

The records of the Department of General Administration do not adequately support financial balances of their internal service funds. The financial balances of these funds represent 9 percent of total assets and 17 percent of total liabilities. These funds also represent 47 percent of sales and 44 percent of cost of goods sold.

As discussed in Note 8, summary of significant litigation, the state of Washington is defendant in certain legal proceedings. The outcome of the lawsuits cannot presently be determined, and thus no provision for any liability that may result has been made in the financial statements.

OPINION

Internal Service Funds

In our opinion, as discussed in paragraph 8, the inadequacy of the records did not permit us to perform sufficient audit work to express, and we do not express, an opinion on the state's general purpose financial statements for internal service funds.

All Other Funds

In our opinion, based upon our examination and the report of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to perform sufficient auditing procedures as explained in paragraphs 3 through 6, and except for the omission of information related to investments in paragraph 7, and subject to the effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the litigation referred to in paragraph 9 been known, the financial statements for all other funds present fairly the financial position of the state of Washington as of June 30, 1985, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles which, except for the change, with which we concur, in the method of recording deferred investment losses as described in Note 1.I. to the financial statements, have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements for the fund types and account groups. The accompanying schedules are presented for the purpose of additional analysis and are not a required part of the combined financial statements of the state of Washington. Such information has been subjected to the auditing procedures applied in the examination of the financial statements referred to in paragraph 1 and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

We did not audit the statistics presented in this report and, accordingly, we do not state an opinion thereon.

Very truly yours,

Robert V. Graham

ROBERT V. GRAHAM
STATE AUDITOR

RVG:sg

STATE OF WASHINGTON
Combined Balance Sheet — All Fund Types and Account Groups
GAAP Basis
June 30, 1985
(Expressed in Thousands)

	Governmental Fund Types			
ASSETS:	General	Special Revenue	Debt Service	Capital Projects
Cash and cash equivalents	$ 155,414	$ 344,495	$ 45,181	$ 66,898
Investments	2,153	7,959	7,051	237
Deferred investment losses	.....	.....	.....	.....
Taxes receivable (net of allowance)	609,837	6,912	.....	.....
Other receivables (net of allowance)	93,484	73,943	240	258
Due from other funds	90,896	151,024	7,247	4,325
Due from other governments	80,626	92,654	.....	5,683
Inventories	8,018	19,069	.....	.....
Prepaid expenses	.....	.....	.....	.....
Deferred charges and other assets	.....	.....	.....	.....
Land	.....	.....	.....	.....
Buildings	.....	.....	.....	.....
Accumulated depreciation	.....	.....	.....	.....
Other improvements and miscellaneous	.....	.....	.....	.....
Accumulated depreciation	.....	.....	.....	.....
Machinery & equipment	.....	.....	.....	.....
Accumulated depreciation	.....	.....	.....	.....
Construction in progress	.....	.....	.....	.....
Amount available in debt service funds	.....	.....	.....	.....
Amount to be provided for retirement of general long-term obligations	.....	.....	.....	.....
Total Assets	$1,040,428	$ 696,056	$ 59,719	$ 77,401
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable	$ 183,414	$ 87,425	.....	$ 11,832
Short-term loans payable	.....	.....	.....	.....
Contracts payable	2,121	2,422	.....	2,098
Accrued liabilities	39,799	37,621	1,127	99
Matured bonds payable	.....	.....	.....	.....
Due to other funds	91,023	47,954	.....	11,004
Due to other governments	27,827	14,583	.....	98
Deferred revenues	668,323	217,775	179	6,981
Deposits & retainages payable	9,451	46,514	2,593	7,788
Current workers' comp. benefits payable	.....	.....	.....	.....
Long-term workers' comp. benefits pay	.....	.....	.....	.....
Bonds payable	.....	.....	.....	.....
Other long-term obligations	.....	.....	.....	.....
Total Liabilities	1,021,958	454,294	3,899	39,900
FUND EQUITY:				
Contributed capital	.....	.....	.....	.....
Investment in general fixed assets	.....	.....	.....	.....
Retained earnings (deficit):				
Reserved	.....	.....	.....	.....
Unreserved (deficit)	.....	.....	.....	.....
Fund balances (deficit):				
Reserved for:				
Encumbrances	524	58,662	.....	242
Inventories	8,018	19,069	.....	.....
Restricted accounts	12,889	.....	.....	.....
Nonexpendable trust corpus	.....	.....	.....	.....
Unemployment compensation	.....	.....	.....	.....
Retirement systems	.....	.....	.....	.....
Other specific purposes	39,330	16,615	.....	.....
Unreserved:				
Designated for debt services	.....	.....	55,820	.....
Designated for other spec. purposes	.....	126	.....	37,259
Undesignated (deficit)	(42,291)	147,290	.....	.....
Total Fund Equity	18,470	241,762	55,820	37,501
Total Liabilities and Fund Equity	$1,040,428	$ 696,056	$ 59,719	$ 77,401

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Obligations	Total June 30, 1985	Total June 30, 1984
$ 172,125	$ 36,153	$ 323,710	.....	.....	$ 1,143,976	$ 1,240,786
2,091,743	2,877	6,320,800	.....	.....	8,432,820	7,375,474
.....	.....	.....	.....	.....	.....	295,431
1,917	.....	10,901	.....	.....	629,567	533,124
209,428	17,586	359,023	.....	.....	753,962	616,934
23,820	9,750	31,145	.....	.....	318,207	311,714
2,447	1,779	12,844	.....	.....	196,033	190,465
50,031	16,379	64	.....	.....	93,561	92,569
1,356	138	.....	.....	.....	1,494	1,005
6,552	.....	58	.....	.....	6,610	3,075
2,505	321	.....	300,022	.....	302,848	272,484
282,719	2,619	.....	1,545,474	.....	1,830,812	1,714,424
(95,783)	(115)	.....	(489,552)	.....	(585,450)	(613,454)
128,440	2,401	.....	233,089	.....	363,930	353,900
(6,115)	(407)	.....	(3,123)	.....	(9,645)	(8,027)
231,283	183,350	.....	520,577	.....	935,210	805,500
(58,845)	(90,468)	.....	(308,469)	.....	(457,782)	(388,308)
14,225	.....	.....	188,884	.....	203,109	124,754
.....	.....	.....	.....	55,820	55,820	61,190
.....	.....	.....	.....	2,429,827	2,429,827	2,247,757
$3,057,848	$ 182,363	$7,058,545	$1,986,902	$2,485,647	$ 16,644,909	$ 15,230,797
$ 34,000	$ 17,069	$ 88,392	.....	.....	$ 422,132	$ 287,897
601	23	50	.....	.....	674	200,000
735	4,473	22	.....	.....	11,871	16,179
67,441	8,193	71,260	.....	.....	225,540	196,932
5,117	45	.....	.....	.....	5,162	5,379
41,004	2,181	125,041	.....	.....	318,207	311,714
.....	366	48,682	.....	.....	91,556	131,224
14,523	2,356	59,845	.....	.....	969,982	858,708
22,445	.....	10,698	.....	.....	99,489	107,044
396,462	.....	6,814	.....	.....	403,276	339,600
1,848,422	.....	.....	.....	.....	1,848,422	1,495,792
222,708	320	.....	.....	2,398,050	2,621,078	2,519,078
135,305	15,892	564	.....	87,597	239,358	133,127
2,788,763	50,918	411,368	.....	2,485,647	7,256,747	6,602,674
317,599	20,838	.....	.....	.....	338,437	323,102
.....	.....	.....	1,986,902	.....	1,986,902	1,728,541
102,461	124	.....	.....	.....	102,585	102,870
(150,975)	110,483	.....	.....	.....	(40,492)	80,605
.....	.....	59	.....	.....	59,487	257,395
.....	.....	64	.....	.....	27,151	27,762
.....	.....	.....	.....	.....	12,889	14,123
.....	.....	370,139	.....	.....	370,139	429,166
.....	.....	114,820	.....	.....	114,820	47,847
.....	.....	6,017,134	.....	.....	6,017,134	5,445,972
.....	.....	99,109	.....	.....	155,054	154,247
.....	.....	.....	.....	.....	55,820	61,190
.....	.....	123	.....	.....	37,508	37,582
.....	.....	45,729	.....	.....	150,728	(82,279)
269,085	131,445	6,647,177	1,986,902	.....	9,388,162	8,628,123
$3,057,848	$ 182,363	$7,058,545	$1,986,902	$2,485,647	$ 16,644,909	$ 15,230,797

STATE OF WASHINGTON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types and Expendable Trust Funds
GAAP Basis
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Year Ended June 30, 1985	Year Ended June 30, 1984
Revenues:							
Taxes	$ 4,144,819	$ 358,895	$ 111,996	.....	.....	$ 4,615,710	$ 4,391,853
Less tax credits	(9,174)	.....	.....	.....	.....	(9,174)	(75,623)
Net tax collections	4,135,645	358,895	111,996	.....	.....	4,606,536	4,316,230
Licenses, permits & fees	37,852	184,109	.....	.....	.....	221,961	213,204
Federal grants-in-aid	1,005,055	645,181	170	203	129,135	1,779,744	1,536,928
Charges for services	133,191	151,793	3,161	15,063	4,512	307,720	284,030
Unemployment compensation contributions	.....	.....	.....	.....	450,009	450,009	415,303
Workers' compensation contributions	.....	.....	.....	.....	109,261	109,261	103,626
Miscellaneous revenue	114,404	202,769	24,742	17,622	59,179	418,716	356,933
Total Revenues	5,426,147	1,542,747	140,069	32,888	752,096	7,893,947	7,226,254
Expenditures:							
Current:							
General government	509,728	134,784	.....	2	8,627	653,141	659,478
Human resources	1,940,410	115,512	.....	1,483	569,986	2,627,391	2,577,696
Natural resources & recreation	137,653	114,058	.....	10,279	972	262,962	239,178
Transportation	20,806	441,807	.....	74	.....	462,687	361,480
Education	2,640,216	394,824	.....	5,633	65,145	3,105,818	2,888,446
Capital outlay	55,046	463,159	.....	162,944	486	681,635	492,023
Debt service	6,001	3,869	432,108	66	61	442,105	250,425
Total Expenditures	5,309,860	1,668,013	432,108	180,481	645,277	8,235,739	7,468,726
Excess of Revenues Over (Under) Expenditures	116,287	(125,266)	(292,039)	(147,593)	106,819	(341,792)	(242,472)
Other Financing Sources (Uses):							
Bond sale proceeds	.....	100,145	161,771	63,795	.....	325,711	439,083
Operating transfers in & (out)	39,836	(74,541)	127,926	15,745	(3,027)	105,939	106,715
Capital lease acquisitions	4,575	7,096	.....	.....	31	11,702	2,744
Total Other Financing Sources (Uses)	44,411	32,700	289,697	79,540	(2,996)	443,352	548,542
Excess of Revenues and Other Sources Over (Under) Expenditures & Other Uses	160,698	(92,566)	(2,342)	(68,053)	103,823	101,560	306,070
GAAP fund balance as previously reported (deficit)	(138,230)	330,627	61,190	105,639	158,639	517,865	120,748
Fund balance restatement	(4,046)	1,825	(3,028)	.....	1,189	(4,060)	82,604
Fund balance as restated	(142,276)	332,452	58,162	105,639	159,828	513,805	203,352
Transfers of fund balance	.....	506	.....	(85)	(290)	131	5,510
Changes in reserves	48	1,370	.....	.....	(3,457)	(2,039)	2,934
GAAP Ending Fund Balance	$ 18,470	$ 241,762	$ 55,820	$ 37,501	$ 259,904	$ 613,457	$ 517,866

The notes to the financial statements are an integral part of the statement.

STATE OF WASHINGTON
Combined Statement of Revenues, Expenses, and Changes in Fund Equity
All Proprietary Fund Types and Similar Trust Funds
GAAP Basis
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	Year Ended June 30, 1985	Year Ended June 30, 1984
Operating Revenues:						
Sales	$ 258,846	$ 93,924	.....	.....	$ 352,770	$ 339,442
Less cost of goods sold	184,074	82,338	.....	.....	266,412	269,926
Gross profit	74,772	11,586	.....	.....	86,358	69,516
Charges for services	139,954	186,050	52	.....	326,056	308,292
Earnings on investments	.....	.....	11,390	547,759	559,149	479,546
Pension contributions	.....	.....	.....	702,882	702,882	695,326
Workers' compensation contributions	530,875	.....	.....	.....	530,875	426,695
Lottery ticket proceeds	156,624	.....	.....	.....	156,624	164,927
Miscellaneous revenue	105,737	5,460	17,198	2,202	130,597	117,759
Total Operating Revenues	1,007,962	203,096	28,640	1,252,843	2,492,541	2,262,061
Operating Expenses:						
Salaries and wages	150,521	68,782	.....	47	219,350	200,141
Personal services	14,850	1,373	.....	7,681	23,904	21,207
Goods and services	111,511	83,138	.....	490	195,139	168,922
Travel	7,000	1,666	.....	2	8,668	6,745
Employee benefits	36,030	15,507	.....	9	51,546	43,194
Workers' compensation benefits	849,177	.....	.....	.....	849,177	576,023
Grants and subsidies	76,990	1,151	.....	.....	78,141	74,380
Depreciation and amortization	17,217	19,564	.....	.....	36,781	51,405
Pension benefit payments	.....	.....	.....	460,975	460,975	461,500
Miscellaneous expenses	20,714	591	.....	.....	21,305	3,122
Total Operating Expenses	1,284,010	191,772	.....	469,204	1,944,986	1,606,639
Operating Income (Loss)	(276,048)	11,324	28,640	783,639	547,555	655,422
Nonoperating Revenues (Expenses):						
Other revenue	298	1,122	158	48	1,626	15,930
Interest income	263,604	4,638	.....	.....	268,242	204,683
Interest expense	(18,697)	(1,381)	.....	.....	(20,078)	(16,011)
Liquor profits distributed to local govt	(23,649)	.....	.....	.....	(23,649)	(24,130)
Total Nonoperating Revenue (Expense)	221,556	4,379	158	48	226,141	180,472
Income (Loss) before operating transfers	(54,492)	15,703	28,798	783,687	773,696	835,894
Operating transfers in (out)	(101,188)	(1,411)	(2,876)	(464)	(105,939)	(105,374)
Net Income (Loss)	(155,680)	14,292	25,922	783,223	667,757	730,520
GAAP fund equity as previously reported	376,198	130,379	429,166	5,445,972	6,381,715	5,842,735
Fund equity restatement	30,856	(10,305)	(84,949)	(212,061)	(276,459)	(233,887)
Fund equity as restated	407,054	120,074	344,217	5,233,911	6,105,256	5,608,848
Transfers of fund equity	2,799	(2,931)	.....	.....	(132)	(5,510)
Contributions of capital	14,912	10	.....	.....	14,922	47,858
GAAP Ending Fund Equity	$ 269,085	$ 131,445	$ 370,139	$ 6,017,134	$ 6,787,803	$ 6,381,716

The notes to the financial statements are an integral part of this statement.

STATE OF WASHINGTON
Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds
GAAP Basis
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
Sources of Working Capital:	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	Year Ended June 30, 1985	Year Ended June 30, 1984
Operations:						
Net income (loss)	($ 155,680)	$ 14,292	$ 25,922	$ 783,223	$ 667,757	$ 730,520
Items not requiring working capital in the current period:						
Depreciation and amortization	17,217	19,564	.....	.....	36,781	51,405
Material adjustment to:						
Operating transfers	9,446	.....	.....	.....	9,446	.....
Immaterial adjustments to:						
Fixed assets	(1,210)	(552)	.....	.....	(1,762)	(13,285)
Bonds payable	95	(95)	.....	.....	.....	.....
Long-term obligations	608	139	45	.....	792	2,627
Other	.....	.....	.....	.....	.....	(665)
Working capital provided-operations	(129,524)	33,348	25,967	783,223	713,014	770,602
Decrease in other assets	435	.....	.....	.....	435	.....
Disposal of fixed assets	4,762	2,774	.....	.....	7,536	55,052
Increases in long-term obligations	404,513	15,260	176	.....	419,949	206,307
Contributions of capital	14,912	10	.....	.....	14,922	47,858
Total Sources of Working Capital	295,098	51,392	26,143	783,223	1,155,856	1,079,819
Uses of Working Capital:						
Increase in investments, noncurrent	254,283	.....	23,843	781,345	1,059,471	853,239
Increase in deferred investment losses	.....	.....	.....	.....	.....	41,260
Increase in other assets	4,022	.....	.....	.....	4,022	435
Acquisition of fixed assets	41,315	46,804	.....	.....	88,119	126,249
Increase in deposits & retainages	(4,208)	1,051	733	607	(1,817)	1,569
Decreases in long-term obligations	15,843	7,769	1	.....	23,613	44,325
Transfers of fund equity	(2,799)	2,931	.....	.....	132	5,510
Total Uses of Working Capital	308,456	58,555	24,577	781,952	1,173,540	1,072,587
Net Increase (Decrease) in Working Capital Before Adjustments	(13,358)	(7,163)	1,566	1,271	(17,684)	7,232
Adjustments Not Requiring Working Capital:						
Material prior period adjustments:						
Cash and cash equivalents	(468)	.....	.....	.....	(468)	.....
Receivables	.....	.....	.....	45,197	45,197	.....
Accrued liabilities	(3,446)	.....	.....	.....	(3,446)	(36,366)
Due to other funds	(5,500)	.....	.....	.....	(5,500)	.....
Fund reclassification:						
Cash and cash equivalents	.....	(1,746)	(27,107)	.....	(28,853)	.....
Due from other funds	.....	(8,549)	.....	.....	(8,549)	.....
Accounts payable	.....	70	.....	.....	70	.....
Accrued liabilities	.....	82	.....	.....	82	.....
Net Increases (Decrease) in Working Capital	($ 22,772)	($ 17,306)	($ 25,541)	$ 46,468	($ 19,151)	($ 29,134)
Elements of Net Increase (Decrease) in Working Capital:						
Cash and cash equivalents	($ 13,799)	($ 17,302)	($ 24,989)	$ 2,974	($ 53,116)	($ 4,956)
Investments, current	(3,663)	1,269	.....	.....	(2,394)	(8,104)
Receivables (net of allowance)	49,941	213	261	48,263	98,678	20,203
Due from other funds	4,485	(5,652)	1,768	463	1,064	(19,104)
Due from other governments	2,226	59	.....	.....	2,285	140
Inventories	860	743	.....	.....	1,603	(682)
Prepaid expenses	491	(2)	.....	.....	489	2,723
Accounts payable	(3,381)	(1,170)	.....	(3,952)	(8,503)	7,659
Short-term loans payable	(601)	(23)	.....	.....	(624)	.....
Contracts payable	(26)	1,091	.....	.....	1,065	(3,504)
Accrued liabilities	(22,918)	(1,271)	(984)	.....	(25,173)	(21,312)
Matured bonds & interest payable	222	(5)	.....	.....	217	(2,040)
Due to other funds	12,498	3,039	145	(835)	14,847	26,652
Due to other governments	.....	(366)	.....	.....	(366)	140
Deferred revenue	7,755	2,071	(1,742)	(445)	7,639	25,609
Current workmen's comp. benefits payable	(56,862)	.....	.....	.....	(56,862)	(52,558)
Net Increase (Decrease) in Working Capital	($ 22,772)	($ 17,306)	($ 25,541)	$ 46,468	($ 19,151)	($ 29,134)

The notes to the financial statements are an integral part of this statement.

STATE OF WASHINGTON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Governmental Fund Types
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	General Fund				
	Actual For Fiscal Year Ended 6-30-85	Actual For Fiscal Year Ended 6-30-84	Total Actual For Biennium Ended 6-30-85	Budgeted Amounts For Biennium Ended 6-30-85	Variance Favorable (Unfavorable)
Revenues:					
Taxes	$ 3,860,865	$ 3,918,168	$ 7,779,033	N/A	N/A
Less tax credits	(7,212)	(75,589)	(82,801)	N/A	N/A
Net tax collections	3,853,653	3,842,579	7,696,232	$ 7,819,150	($ 122,918)
Licenses, permits & fees	37,995	36,321	74,316	77,215	(2,899)
Federal grants-in-aid	1,007,538	833,594	1,841,132	1,996,662	(155,530)
Charges for services	152,395	148,098	300,493	286,219	14,274
Miscellaneous revenue	142,541	147,134	289,675	184,390	105,285
Total Revenue	5,194,122	5,007,726	10,201,848	10,363,636	(161,788)
Expenditures:					
Current:					
General government	519,596	540,115	1,059,711	1,120,302	60,591
Human resources	1,813,550	1,913,121	3,726,671	3,999,701	273,030
Natural resources & recreation	185,786	211,907	397,693	786,934	389,241
Transportation	21,084	17,068	38,152	41,907	3,755
Education	2,639,690	2,540,005	5,179,695	5,245,495	65,800
Capital outlay	90,348	150,709	241,057	415,515	174,458
Debt service					
Total Expenditures	5,270,054	5,372,925	10,642,979	11,609,854	966,875
Excess of Revenues Over (Under) Expenditures	(75,932)	(365,199)	(441,131)	(1,246,218)	805,087
Other Financing Sources (Uses):					
Bond sale proceeds	113,940	305,021	418,961	942,723	(523,762)
Operating transfers in & (out)	26,323	3,401	29,724	251,165	(221,441)
Total Other Financing Sources (Uses)	140,263	308,422	448,685	1,193,888	(745,203)
Excess of Revenues and Other Sources Over (Under) Expenditures & Other Uses	64,331	(56,777)	7,554	($ 52,330)	$ 59,884
GAAP fund balance as previously reported (deficit)	(138,230)	(165,715)	(165,715)		
Fund balance restatement	(4,046)	(26,972)	(31,018)		
Fund balance as restated (deficit)	(142,276)	(192,687)	(196,733)		
Transfers of fund balance		766	766		
Changes in reserves	48	1,234	1,282		
Non-GAAP revenue and expenditure recognition differences	96,367	109,234	205,601		
GAAP Ending Fund Balance (Deficit)	$ 18,470	($ 138,230)	$ 18,470		

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds				
Actual For Fiscal Year Ended 6-30-85	Actual For Fiscal Year Ended 6-30-84	Total Actual For Biennium Ended 6-30-85	Budgeted Amounts For Biennium Ended 6-30-85	Variance Favorable (Unfavorable)
$ 324,416	$ 345,141	$ 669,557	N/A	N/A
			N/A	N/A
324,416	345,141	669,557	$ 766,157	($ 96,600)
168,504	176,817	345,321	326,229	19,092
436,335	501,924	938,259	812,258	126,001
608	132,308	132,916	8,489	124,427
111,197	156,409	267,606	202,756	64,850
1,041,060	1,312,599	2,353,659	2,115,889	237,770
147,055	129,936	276,991	290,145	13,154
63,003	66,123	129,126	131,310	2,184
31,664	27,927	59,591	65,160	5,569
256,974	213,899	470,873	535,432	64,559
135	11	146	153	7
552,621	482,471	1,035,092	1,228,406	193,314
1,051,452	920,367	1,971,819	2,250,606	278,787
(10,392)	392,232	381,840	(134,717)	516,557
35,000	91,000	126,000	189,600	(63,600)
8,506	(12,865)	(4,359)	344	(4,703)
43,506	78,135	121,641	189,944	(68,303)
33,114	470,367	503,481	$ 55,227	$ 448,254
330,627	126,141	126,141		
1,825	19,569	21,394		
332,452	145,710	147,535		
506	5,747	6,253		
1,370	142	1,512		
(125,680)	(291,339)	(417,019)		
$ 241,762	$ 330,627	$ 241,762		

STATE OF WASHINGTON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) — Continued
All Budgeted Governmental Fund Types
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Debt Service Funds				
	Actual For Fiscal Year Ended 6-30-85	Actual For Fiscal Year Ended 6-30-84	Total Actual For Biennium Ended 6-30-85	Budgeted Amounts For Biennium Ended 6-30-85	Variance Favorable (Unfavorable)
Revenues:					
Taxes	$ 111,996	$ 111,066	$ 223,062	N/A	N/A
Less tax credits	.....	.....	.....	N/A	N/A
Net tax collections	111,996	111,066	223,062	$ 238,314	($ 15,252)
Licenses, permits & fees	.....	.....	.....	.....	.....
Federal grants-in-aid	164	164	328	339	- (11)
Charges for services	.....	3,041	3,041	.....	3,041
Miscellaneous revenue	9,337	19,537	28,874	2,506	26,368
Total Revenue	121,497	133,808	255,305	241,159	14,146
Expenditures:					
Current:					
General government	.....	.....	.....	.....	.....
Human resources	.....	.....	.....	.....	.....
Natural resources & recreation	.....	.....	.....	.....	.....
Transportation	.....	.....	.....	.....	.....
Education	.....	.....	.....	.....	.....
Capital outlay	.....	.....	.....	.....	.....
Debt service	430,972	234,534	665,506	698,148	32,642
Total Expenditures	430,972	234,534	665,506	698,148	32,642
Excess of Revenues Over (Under) Expenditures	(309,475)	(100,726)	(410,201)	(456,989)	46,788
Other Financing Sources (Uses):					
Bond sale proceeds	161,771	.....	161,771	156,370	5,401
Operating transfers in & (out)	143,363	110,865	254,228	254,581	(353)
Total Other Financing Sources (Uses)	305,134	110,865	415,999	410,951	5,048
Excess of Revenues and Other Sources Over (Under) Expenditures & Other Uses	(4,341)	10,139	5,798	($ 46,038)	$ 51,836
GAAP fund balance as previously reported (deficit)	61,190	53,519	53,519		
Fund balance restatement	(3,028)	(663)	(3,691)		
Fund balance as restated (deficit)	58,162	52,856	49,828		
Transfers of fund balance	.....	(558)	(558)		
Changes in reserves	.....	.....	.....		
Non-GAAP revenue and expenditure recognition differences	1,999	(1,247)	752		
GAAP Ending Fund Balance (Deficit)	$ 55,820	$ 61,190	$ 55,820		

The notes to the financial statements are an integral part of this statement.

Total All Budgeted Governmental Fund Types (Memorandum Only)				
Actual For Fiscal Year Ended 6-30-85	Actual For Fiscal Year Ended 6-30-84	Total Actual For Biennium Ended 6-30-85	Budgeted Amounts For Biennium Ended 6-30-85	Variance Favorable (Unfavorable)
$ 4,297,277	$ 4,374,375	$ 8,671,652	N/A	N/A
($ 7,212)	($ 75,589)	($ 82,801)	N/A	N/A
4,290,065	4,298,786	8,588,851	$ 8,823,621	($ 234,770)
206,499	213,138	419,637	403,444	16,193
1,444,037	1,335,682	2,779,719	2,809,259	(29,540)
153,003	283,447	436,450	294,708	141,742
263,075	323,080	586,155	389,652	196,503
6,356,679	6,454,133	12,810,812	12,720,684	90,128
666,651	670,051	1,336,702	1,410,447	73,745
1,876,553	1,979,244	3,855,797	4,131,011	275,214
217,450	239,834	457,284	852,094	394,810
278,058	230,967	509,025	577,339	68,314
2,639,825	2,540,016	5,179,841	5,245,648	65,807
642,969	633,180	1,276,149	1,643,921	367,772
430,972	234,534	665,506	698,148	32,642
6,752,478	6,527,826	13,280,304	14,558,608	1,278,304
(395,799)	(73,693)	(469,492)	(1,837,924)	1,368,432
310,711	396,021	706,732	1,288,693	(581,961)
178,192	101,401	279,593	506,090	(226,497)
488,903	497,422	986,325	1,794,783	(808,458)
93,104	423,729	516,833	($ 43,141)	$ 559,974
253,587	13,945	13,945		
(5,249)	(8,066)	(13,315)		
248,338	5,879	630		
506	5,955	6,461		
1,418	1,376	2,794		
(27,314)	(183,352)	(210,666)		
$ 316,052	$ 253,587	$ 316,052		

Note 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The present budgeting and accounting systems maintained by the state of Washington were developed to satisfy the requirements of the Budget and Accounting Act (Chapter 43.88 RCW) passed by the legislature and signed into law in 1959. The Act specifically requires that the governor, through the Office of Financial Management, "... devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for comprehensive central accounts in the Office of Financial Management." The following is a summary of the more significant policies:

A. The Financial Reporting Entity

The accompanying financial statements include financial transactions of all agencies, commissions, boards and committees of the State except:

1. Agricultural Commodity Commissions — Agricultural Commodity Commissions are exempted from the Budget and Accounting Act, and are therefore not included as part of the state reporting entity. Reports regarding financial transactions of the Agricultural Commodity Commissions may be obtained from each commission.

2. Associated Debt:

   a. The Washington Health Care Facilities Authority, a political subdivision of the State, markets bonds and other debt in the name of the "Washington Health Care Facilities Authority." The bonds are secured and repaid by the non-profit health care facilities benefiting from the bond proceeds. This debt is not a State obligation. Additional information is available from the Washington Health Care Facilities Authority, 504 East 14th, Suite 130, Olympia, WA 98504.

   b. The Washington State Housing Finance Commission, an instrumentality of the State, markets bonds in the name of the "Washington State Housing Finance Commission." The bonds are secured by mortgages on single family and multi-family residences located in the state of Washington. This debt is not a State obligation. Additional information is available from the Washington State Housing Finance Commission, 216 1st Avenue South, Suite 366, Seattle, WA 98104.

3. Joint Operating Agencies — Each joint operating agency is a municipal corporation and not a state agency. Reports regarding financial transactions of joint operating agencies may be obtained from each such agency.

   For example, the Washington Public Power Supply System is a joint operating agency, and is not an agency of the State. Its debt is not a State obligation. Inquiries regarding financial statements should be addressed to the Washington Public Power Supply System, 3000 George Washington Way, P.O. Box 968, Richland, WA 99352.

B. Basis of Presentation

The accompanying financial statements of the state of Washington have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state governments. The principle authority for accounting and reporting requirements in this state is the Office of Financial Management (OFM) through its **Financial and Administrative Policies, Regulations and Procedures** manual. We adopt the pronouncements issued by the Governmental Accounting Standards Board (GASB) and its predecessor, the National Council on Governmental Accounting (NCGA) and implement them in the State. We also adopt the pronouncements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) when considered applicable.

Amounts in the "totals (memorandum only)" columns in the preceding financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, both restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption "amount to be provided for retirement of general long-term obligations," which is not an asset in the usual sense. Consequently, amounts shown in the "totals (memorandum only)" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the state.

C. Fund Accounting Structure

The State's fund structure employs approximately 355 funds and accounts within funds. For the purpose of developing financial statements in compliance with generally accepted accounting principles, these funds and accounts have been administratively consolidated into 50 funds, each of which is considered a separate accounting entity. The accompanying financial statements are structured into three categories of funds and a fourth type of accounting entity, account groups, as presented below. The operations of each fund and account group have been reported through a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds or account groups based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUNDS

General Fund—The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds—Capital Project Funds are used to account for financial resources to be utilized for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and similar Trust Funds).

PROPRIETARY FUNDS

Enterprise Funds—Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds—Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the state on a cost-reimbursement basis.

FIDUCIARY FUNDS

Expendable Trust—Expendable trust funds are used to account for assets held by the state in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations.

Nonexpendable Trust—Nonexpendable trust funds are used to account for assets held by the state in a trustee capacity where only income derived from the principal may be expended in the course of the funds' designated operations. The principal must be preserved intact.

Pension Trust—Pension trust funds are used to account for transactions, assets, liabilities and net assets available for plan benefits of the various state public employee retirement systems.

Agency Funds—Agency funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the state, acting in the capacity of an agent, for distribution to other governmental units or other organizations.

GENERAL FIXED ASSETS ACCOUNT GROUP

Fixed assets used in governmental funds and Expendable Trust Funds operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the individual funds. Public domain "infrastructure" fixed assets consisting of roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems are excluded from the amounts reported in this account group.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

Long-term liabilities expected to be financed from governmental funds and Expendable Trust Funds are accounted for in the General Long-Term Obligations Account Group.

College and University Reporting

Financial operations of the state of Washington's universities and colleges are reported using the fund structure prescribed in NCGA Statements and interpretations and not according to the fund structure of the National Association of College and University Business Officers. In addition, the University of Washington Hospital which is a facility for educating medical students, that receives a majority of its funding from patient revenues, is accounted for and reported in the special revenue fund category.

D. Basis Of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available. Major revenues that are determined to be susceptible of accrual include interagency revenues, property taxes, and federal grants-in-aid. Sales taxes and excise taxes are recognized when received. Major revenues that are determined not to be susceptible of accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, motor vehicle fuel, and unemployment compensation contributions.

Expenditures are recognized under modified accrual accounting when the related fund liability is incurred if measurable. Medical coupons outstanding are recognized before the claims are received by an estimation of services provided. Exceptions to the general modified accrual recognition criteria include interest on general long-term indebtedness which is recognized when due.

All proprietary funds and Nonexpendable Trust and Pension Trust Funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and measurable. Expenses are recognized in the period when they are incurred and determinable.

E. Budgets and Budgetary Accounting

The state of Washington employs a biennial budget which utilizes the following procedures to establish the budgetary data reflected in the accompanying financial statements:

1. General Budgetary Policies and Procedures

   No later than December 20th of the year preceding the odd-year session of the legislature, the governor is required to submit a budget to the state legislature. The budget is a proposal for expenditures in the ensuing fiscal period based upon anticipated revenues from the sources and at the rates existing by law at the time of submission of the budget. The governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing fiscal period from revenue sources derived from proposed changes in existing statutes.

   Public hearings are conducted during the odd-year legislative session to obtain comments from taxpayers and other interested parties and to explain details of the budget to the legislature.

   Prior to June 1st of the odd-numbered year, the budget is legally required to be adopted through passage of an appropriation bill or bills by the legislature and approval by the governor. Operating appropriations are made at the agency and fund level. Capital appropriations are generally made at the agency/fund/project level. The legal level of budgetary control is at the agency /fund level, with administrative controls established at lower levels of detail in certain instances.

   The budget is implemented on July 1st of the odd-numbered year for the biennium ending June 30th of the ensuing odd-numbered year.

   Appropriated funds are managed by the executive branch through an allotment process. This process allocates the appropriation into monthly allotments by program, source of funds, and object of expenditure. Revenues for the biennium are estimated on a monthly basis by source of revenue.

   Non-appropriated funds are either subject to allotment control by the executive branch or under the direct control of the agency, depending on the requirements of the legislation which established the fund.

   The governor is authorized to legally restrict expenditures through the allotment process, but any revisions to a legislative appropriation must be adopted through passage of, or amendments to, appropriation bills.

   Budgeted amounts reported on the accompanying financial statements include amounts originally adopted for the 1983-85 biennium, as well as revisions made through the 1984 Regular Session of the legislature.

2. Budgetary Basis of Accounting vs GAAP.

   Except for the "Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)", the financial statements included in this annual report are based on generally accepted accounting principles (GAAP). These principles result in financial statements differing from those prepared based on budgetary requirements.

   Since the accounting principles applied for the purposes of compiling data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation between the basis shown on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)" and the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance (GAAP Basis)" for the fiscal year ended June 30, 1985 follows (amounts expressed in thousands):

RECONCILIATION OF BUDGETARY BASIS VS. GAAP

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Total All Budgeted
Excess of Revenues and other sources over (under) expenditures and other uses (Budgetary basis)	$ 64,331	$ 33,114	($ 4,341)	$ 93,104
Reclassification of funds	18,033	(37,844)	.....	(19,811)
Encumbrances	(111,030)	(48,058)	.....	(159,088)
Charge-back revenue at June 30, 1985	(11,718)	.....	.....	(11,718)
Charge-back revenue at June 30, 1984	288,858	.....	.....	288,858
Property tax revenue accrual	14,396	.....	.....	14,396
Expenditure recognition difference	(102,703)	(3,354)	.....	(106,057)
Non-budgeted activity	531	(36,424)	1,999	(33,894)
Excess of revenues and other sources over (under) expenditures & other uses (GAAP basis)	$ 160,698	($ 92,566)	($ 2,342)	$ 65,790

The above reconciling items are further explained as follows:

a. Reclassification of funds.

As noted earlier (Note 1.C. Fund Accounting Structure, page 33), the State has approximately 355 funds and accounts within funds. Thirty-eight of these accounts have a legally stipulated classification inconsistent with GAAP. On the GAAP basis financial statements, these accounts have been reclassified consistent with their usage, however, for budgetary purposes these accounts are included as part of the general fund.

In 1985 legislation was signed into law by the governor to eliminate the thirty-eight inconsistent account classifications. Beginning with fiscal year 1986 the fund classification for budgetary purposes will be consistent with GAAP.

b. Encumbrances.

The State employs encumbrance accounting for all governmental fund types. Encumbrances represent contracts, purchase orders and other commitments for goods or services that have not been received. Encumbrances are reported as a reservation of fund balance.

For fiscal year 1984, encumbrance accounting on the budgetary basis, included encumbrances with expenditures. This was done to reserve a portion of the appropriation. This practice was discontinued in fiscal year 1985. The amounts shown above for encumbrances are the reversal of the fiscal year 1984 encumbrances which were charged with expenditures.

c. Charge-back revenue.

In 1984 the legislature reduced the accounting reporting date for revenue tax collections from August 10 to July 10 effective for Fiscal Year 1985. This legislative action reduced the charge-back period by 31 days. This action virtually eliminated a long standing policy which began in 1971. This is demonstrated by the reduction of the charge-back from 288.9 million in Fiscal Year 1984 to 11.7 million in Fiscal Year 1985.

The $288.9 million charge-back revenue recognized for budgetary purposes in Fiscal Year 1984 is recognized on a cash basis on the GAAP financial statements in Fiscal Year 1985.

d. Property tax revenue accrual.

Accrued Property tax at June 30, 1985 totaling $14.4 million was accrued for GAAP purposes but recognized for budgetary purposes on a cash basis.

e. Expenditure recognition difference.

Certain medical claims for social welfare recipients provided by private medical care practitioners which were not paid at year end were not included in the budgetary statement. However these claims were estimated and accrued on the GAAP statement. As a result the expenditures on a GAAP basis exceeded budgetary basis by $102.7 million in the general fund. In special revenue funds other expenditures which were not paid on a budgetary basis until the following biennium but were accrued on a GAAP basis amounted to $3.4 million.

f. Non-budgeted activity.

The State currently has non-appropriated expenditure activity in the governmental fund types. This non-appropriated expenditures and related revenue activity is excluded from the Non-GAAP budgetary basis financial statement and is included in the GAAP basis financial statement.

Beginning in fiscal year 1986 the budgetary amounts will be the legally authorized "non-appropriated budget" (estimated revenues and allotments) which is a more comprehensive presentation for budget and actual than the appropriated budget.

F. Inventories

1. For Governmental and Expendable Trust Funds consumable supplies are recorded by agencies where the amounts represent a material factor in the agency's financial position. Purchases are recorded as expenditures at the time of acquisition. At year end, consumable supplies on hand are reported at cost. The offset is to a fund balance reserved for inventories which indicates that the amount does not constitute available spendable resources.

2. For Proprietary and Similar Trust Funds consumable supplies are expensed as the supplies and materials are used. Merchandise inventories are valued at the lower of cost or market. Costs are charged against revenue as cost of goods sold when the merchandise is sold.

G. Compensated Absences.

It is the policy of the state that the cost associated with annual leave be recognized in conformity with the measurement principles of the fund that is affected. Governmental and expendable trust funds are to recognize the expenditure for annual leave in the period in which it is paid. Proprietary and similar trust funds recognize the expense and accrued liability in the period the leave is earned.

Employees occupying permanent positions accrue vested annual leave at a variable rate based on years of service with the state. Unless approved by the appointing authority, accumulated annual leave cannot exceed thirty days at the employees anniversary date. Approved accumulations in excess of the thirty day maximum are usually insignificant and are generally utilized in the short term. The unpaid liability for governmental funds is recorded in the general long-term obligations account group.

Employees occupying permanent positions accrue sick leave at the rate of one day per month with no upper limit. The state enacted a sick leave incentive program January, 1980 which allows employees to redeem sick leave in cash under the following conditions:

> Each January, employees whose sick leave accumulation exceeds sixty days may redeem their leave earned but not taken during the previous year at a rate of one day's pay for each four days leave.
>
> Upon death or separation due to retirement an employee is compensated for all accumulated sick leave on the basis of one day's pay for each four day's accumulated leave.

Accumulated sick leave redemptions are not material when compared to total state operations. In our opinion, sick leave represents a contingent liability not susceptible to accrual. Sick leave in this state represents possible future payments dependent upon employee options, not probable payments.

Estimation of these payments is not possible. For all fund types, therefore, sick leave expenditures/expenses are recorded when the payments are made.

H. Interfund Receivables and Payables

As noted earlier, the state of Washington has approximately 355 funds and accounts within funds (Note 1.C. Fund Accounting Structure, page 33). Several of these funds and accounts are restricted by state law for specific purposes. Based on these restrictions the due from/to other funds within specific fund types have not been eliminated from the balance sheet. Quasi-external transactions are reported in "Other Receivables" and "Accounts Payable."

Interfund receivables and payables at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
Due To:	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Due To Other Funds
General Fund	$ 40,932	$ 25,783	$	$ 217	$ 392	$ 541	$ 23,158	$ 91,023
Special Revenue Funds	12,833	23,309	.....	523	4,761	5,050	1,478	47,954
Debt Service Funds	.....	.....	.....	.....	.....	.....	.....	.....
Capital Projects Funds	17	7,278	.....	826	2,526	342	15	11,004
Enterprise Funds	3,756	34,687	.....	804	1,354	250	153	41,004
Internal Service Funds	267	1,260	.....	10	72	572	.....	2,181
Trust & Agency Funds	33,091	58,707	7,247	1,945	14,715	2,995	6,341	125,041
Total Due From Other Funds	$ 90,896	$ 151,024	$ 7,247	$ 4,325	$ 23,820	$ 9,750	$ 31,145	$ 318,207

I. Fund Equity Restatement

Fund equity at July 1, 1984 has been restated as follows (amounts expressed in thousands):

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types			Total All Fund Types (Memorandum Only)
	General	Special Revenue	Debt Service	Enterprise	Internal Service	Expendable Trust	Nonexpendable Trust	Pension Trust	
Fund equity June 30, 1984, as previously reported (deficit)	($ 138,230)	$ 330,627	$ 61,190	$ 376,198	$ 130,379	$ 158,639	$ 429,166	$ 5,445,972	$ 6,793,941
Accounting changes	.....	.....	.....	.....	.....	.....	(57,842)	(257,259)	(315,101)
Fund reclassification changes	.....	10,224	.....	.....	(10,305)	921	(27,107)	.....	(26,267)
Prior year corrections	(4,046)	(8,399)	(3,028)	30,856	.....	268	.....	45,198	60,849
Fund equity June 30, 1984, as restated	($ 142,276)	$ 332,452	$ 58,162	$ 407,054	$ 120,074	$ 159,828	$ 344,217	$ 5,233,911	$ 6,513,422

The restatements are explained below as follows (amounts expressed in thousands):

Restatement	Description	GAAP Fund Type	Amount
Accounting changes.	Deferred investment losses — on the sale and repurchase of investments losses were recorded in an asset account. These losses were then amortized over the life of the higher yielding investments purchased. This practice of matching the investment loss against the higher yielding investment has been discontinued and the loss is now recognized at the time of sale using the completed transaction method. The deferred investment losses account and deferred investment losses recorded in the investment account have been written off.	Nonexpendable Trust Pension Trust	($ 57,842) (257,259)
Fund reclassification changes.	The accounting and reporting treatment applied to an account is determined by its measurement focus. Accounts have been reclassified to reflect their proper measurement focus as follows:		

Account Title	GAAP Fund Type From	GAAP Fund Type To	
Investment Board Commingled Trust	Special Revenue	Agency	81
State Treasurer's Service	Internal Service	Special Revenue	10,305
OASI Contributions	Nonexpendable Trust	Agency	27,107
Anti-Trust Revolving	Agency	Expendable Trust	921

Prior year corrections.	Contributions to the retirement system which are based on employee earnings have been recognized as revenue when received. These contributions were made in the month after the employee compensation was earned. Further, in the Teachers' Retirement System, contributions have been recognized as revenue throughout the summer months rather than when earned which is at the end of the school year. The prior year entry to accounts receivable is to recognize retirement system contributions when the employee compensation is earned.	Pension Trust	45,198
	Accumulated depreciation was overstated for prior years due to incorrect acquisition or addition dates.	Enterprise	16,378
	Laws of 1979 require that expenditures made from the Motor Vehicle Fund for the reconstruction and maintenance cost of the Hood Canal Bridge destruction shall be paid back to the Motor Vehicle Fund from the Puget Sound Capital Construction Account and the Puget Sound Ferry Operations Account. Prior financial statements had shown a portion of this interfund liability as due from the Ferry Enterprise Account.	Enterprise Special Revenue	7,438 (11,556)
	Operating transfers in the Lottery Commission that were made in fiscal year 1985 were incorrectly recorded in fiscal year 1984.	General Enterprise	(3,023) 9,446
	Other corrections to asset and liability accounts.	General Special Revenue Debt Service Enterprise Expendable Trust	(1,023) 3,157 (3,028) (2,406) 268

Note 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The Workers' Compensation fund has a deficit in unreserved retained earnings at June 30, 1985 aggregating $265.8 million. When combined with reserved retained earnings the net deficit in this fund totals $173.9 million (Note 4 Segment Information—Enterprise Funds, page 50). The cause of the deficit is the actuarially established long-term benefit claims exceeding contributions.

B. Overexpenditure of Appropriations

No overexpenditures of appropriations appear on the accompanying "Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)". Total expenditures under total budgeted/appropriated amounts were $1,278.3 million per such Combined Statement for the 1983-85 Biennium ended June 30, 1985. No state agency overexpended an appropriation at the fund level.

Note 3—DETAILED NOTES ON ACCOUNT BALANCES

A. Cash and Cash Equivalents

Cash and cash equivalents include cash in the State Treasury and local bank accounts, petty cash, and short-term investments such as certificates of deposits, repurchase agreements, and U.S. Treasury bills and notes. These investments are stated at cost, which at June 30, 1985 approximated market. Collateral, as required by law, is pledged by the various banks to guarantee state funds on deposit with them.

Cash and cash equivalents held in the treasury and reported by the State Treasurer in his "Monthly Financial Report", dated June 30, 1985, differ from amounts reported on the Combined Balance Sheet in the accompanying financial statements. The following is a reconciliation of these differences in the General Fund (amounts expressed in thousands):

Treasurer's "Fund Balance," June 30, 1985[1]	$ 435,081
Non-GAAP General Fund Accounts[2]	(278,443)
Non-Treasury Cash—Miscellaneous Activity[3]	(1,224)
GAAP General Fund Cash and Cash Equivalents, June 30, 1985	$ 155,414

[1]Treasurer's "fund balance" per **Washington State Treasurer Monthly Financial Report** dated June 30, 1985 includes the following (amounts expressed in thousands):

Fund 001	$ 100,588
Funds 002-079 Restricted Accounts	334,493
Total	$ 435,081

[2]Numerous accounts included in the total General Fund for Treasurer's reporting purposes are reclassified for GAAP purposes into other fund types (Note 1.E.2.a. Reclassification of funds, page 35). The following cash balances were reclassified in the financial statements (amounts expressed in thousands):

Special Revenue Accounts	$ 65,234
Capital Project Accounts	17,843
Enterprise Account	83,273
Internal Service Accounts	3,447
Agency Fund Accounts	108,646
Total Reclassification	$ 278,443

[3]Amounts not shown in general fund by the Treasurer on June 30, 1985, but reported for financial statement purposes include the following (amounts expressed in thousands):

Transactions in Process	$ 1,989
Pooled Cash — Agencies	(3,541)
Other Non-Treasury Cash	328
Total	($ 1,224)

B. Investments

As authorized by law, this classification includes fixed income and equity investments with varying degrees of risk. Debt securities are stated at amortized cost, and other investments are stated at cost. The combined fair market value of investments at June 30, 1985 was approximately $8.9 billion. Investments are actively managed.

1. A majority of enterprise fund investments are included in the Accident and Medical Aid Fund administered by the Department of Labor and Industries. Cost or amortized cost for enterprise fund investments at June 30, 1985 was approximately $2.1 billion.
2. Trust and agency fund investments are principally for the Pension Trust Fund. (Note 5. Retirement Systems, page 51 lists the Pension Trust Accounts). Except for the Volunteer Firemen's Relief and Pension Account, the Pension Fund is administered by the Department of Retirement Systems. Cost or amortized cost for Pension Trust Investments at June 30, 1985 was approximately $5.9 billion.

C. Taxes Receivable

Taxes Receivable at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Taxes Receivable
Taxes Receivable	$ 627,158	$ 8,893	.....	.....	$ 1,917	.....	$ 16,679	$ 654,647
Less: Allowance for Uncollectibles	(17,321)	(1,981)	.....	.....	.....	.....	(5,778)	(25,080)
Total Taxes Receivable By Fund Type	$ 609,837	$ 6,912	.....	.....	$ 1,917	.....	$ 10,901	$ 629,567

D. Other Receivables

Other Receivables at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Other Receivables By Account Type
Accounts Receivable	$ 4,303	$ 38,149	$ 228	$ 247	$ 189,012	$ 3,180	$ 119,888	$ 355,007
Accounts Receivable— Other Agencies	12,083	4,518	.....	.....	1,234	9,972	84,761	112,568
Interest Receivable	.....	1,187	.....	8	35,834	98	42,707	79,834
Loans Receivable	.....	207	.....	.....	13	.....	69,686	69,906
Other Receivables	343,187	37,019	32	21	2,572	4,336	112,603	499,770
Sub-total	359,573	81,080	260	276	228,665	17,586	429,645	1,117,085
Less: Allowance for Uncollectibles	(266,089)	(7,137)	(20)	(18)	(19,237)	.....	(70,622)	(363,123)
Total Other Receivables By Fund Type	$ 93,484	$ 73,943	$ 240	$ 258	$ 209,428	$ 17,586	$ 359,023	$ 753,962

1. Accounts Receivable—This balance represents amounts owed on open account from private individuals or organizations for goods and services furnished by the state.
2. Accounts Receivable—Other Agencies— This balance represents amounts owed from state agencies for goods and services furnished by other state agencies.
3. Interest Receivable—This balance represents the amount of interest which is due on investments and other current assets, excluding taxes.
4. Loans Receivable—This balance represents the uncollected portion of loans due to the state. Student loans at the institutions of higher education account for $69,547 of the balance shown for trust and agency funds and $4,594 of the allowance for uncollectibles.
5. Other Receivables—This balance represents the amounts owed to the state for receivables not specifically identified above. The Department of Social and Health Services accounts for $339,637 in the General Fund and $87,551 in Trust and Agency Funds, the allowance for uncollectibles is $265,285 and $60,647, respectively.

E. Due From Other Governments

Due From Other Governments at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Due From Other Gov'ts. By Account Type
Federal Government	$ 65,940	$ 79,546	.....	.....	$ 2,318	$ 85	$ 1,425	$ 149,314
Local Government	14,686	13,108	.....	5,683	129	1,694	11,419	46,719
Total Due From Other Governments by Fund Type	$ 80,626	$ 92,654	.....	$ 5,683	$ 2,447	$ 1,779	$ 12,844	$ 196,033

F. Deferred Charges and Other Assets

Deferred charges and other assets at June 30, 1985 consisted of (amounts expressed in thousands) other long-term receivables of $4,080 and unamortized discounts on bonds sold of $2,530.

G. Fixed Assets

1. Methods of Accounting for Fixed Assets

   a. All fixed assets are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date of donation. Where necessary, estimates of original cost and fair market value are derived by factoring price levels from the current period to the time of acquisition. Costs include the purchase price or construction cost, and those costs necessary to place the asset in its intended location and condition for use. Interest costs related to construction are excluded from cost calculations of assets.

   b. Land is either stated at cost or in the case of donated land the estimated fair value on the date donated. The state classifies land in five categories: uplands, beds of navigable waters, shore lands, tidelands and harbor areas.

   c. Fixed assets valued at $300 or more per unit are capitalized and reported in these statements.

   d. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets are not reported.

   e. Fixed assets of governmental funds and Expendable Trust Funds are accounted for in the General Fixed Assets Account Group. Accumulated depreciation which is recorded in the General Fixed Assets Account Group is computed on a straight-line basis over standardized useful lives ranging from five to fifty years.

   f. Fixed assets used in proprietary and similar trust funds are accounted for in the fund in which they are utilized. Depreciation of all fixed assets used by proprietary funds is charged as an expense of their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over estimated useful lives using the straight line method.

   g. Assets, over $300 in value exclusive of interest, acquired by installment, purchase contract, or lease which meet the requirements of a capital lease as defined by generally accepted accounting principles are recorded as fixed assets in a manner prescribed in subparagraphs e and f above.

2. A summary of the changes in general fixed assets for the year ended June 30, 1985 is as follows (amounts expressed in thousands):

	Land	Buildings[1]	Other Improvements and Misc.[1]	Machinery and Equipment[1]	Construction in Progress	Total
Balance July 1, 1984	$ 269,853	$ 942,521	$ 209,460	$ 189,417	$ 117,291	$ 1,728,542
Adjustments	25,693[2]	59,967[3]	9,670	(9,577)[4]	4,331	90,084
Adjusted Balance July 1, 1984	295,546	1,002,488	219,130	179,840	121,622	1,818,626
Additions & Acquisitions	4,580	63,215	11,656	37,664	86,501	203,616
Reductions, Deletions, Disposals	(104)	(9,781)	(820)	(5,396)	(19,239)	(35,340)
Balance June 30, 1985	$ 300,022	$ 1,055,922	$ 229,966	$ 212,108	$ 188,884	$ 1,986,902

Source of Funds by Fund Type	
General	$ 751,118
Special Revenue	382,512
Capital Projects	851,338
Expendable Trust	1,934
	$ 1,986,902

[1]Dollar amounts displayed net of allowance for depreciation where appropriate.

[2]$23.5 million of the $25.7 million adjustment for land involves two agencies. The State Parks and Recreation Commission increased its land asset value by $8.9 million to recognize the purchase in the past of trust lands from the Department of Natural Resources. The other material adjustment of $14.6 million by the Department of Game is recording of the prior acquisition of McNeil Island from the federal government.

[3]$56.8 million of the approximate $60 million in adjustments for buildings is a single correction by the University of Washington to reduce an overstatement of accumulated depreciation.

[4]The net negative adjustment for machinery and equipment is the result of the University of Washington removing assets acquired during the period 1967 to 1982 which do not meet the present state criteria for asset capitalization. The amount being removed is $16.7 million.

H. Construction In Progress

Various state agencies were involved in construction projects as of June 30, 1985. A summary of major projects by fund type and agency is as follows (amounts expressed in millions):

Enterprise Funds	
1. University of Washington	
Intramural activities locker room addition	$ 1.6
Triangle parking garage improvements	1.2
2. State Convention and Trade Center	
Architectural, engineering and other professional fees related to preparations for construction	10.3
3. Miscellaneous agency small projects	1.1
General Fixed Assets Account Group	
1. Department of Corrections	
a. McNeil Island Corrections Center—Renovation and repairs	7.2
b. Washington Corrections Center—Enlarge and remodel	12.5
c. Washington State Reformatory—Construction and improvements	4.6
d. Washington State Penitentiary—Renovation and improvements	17.6
e. Clallam Bay Corrections Center—New construction	36.0
f. Twin Rivers Corrections Center—New construction	4.6
g. Various small projects—Renovations and repairs	2.0
h. Project management	1.9
Department of Corrections Total	86.4
2. Department of Social and Health Services	
a. Rainier School—Evergreen Center renovation	8.6
b. Lakeland Village—Habilitation Center, new construction	6.7
c. Yakima Valley School—Multi-purpose Center construction	3.7
d. Frances Haddon Morgan Center—Dormitory conversion	2.5
e. Echo Glen—Roof repairs	1.6
f. Western State Hospital—Renovations; health and safety improvements	2.6
g. State Health Lab—Construction	0.5
h. Energy conservation/utilities projects	5.2
Department of Social and Health Services Total	31.4
3. University of Washington	
a. University Hospital expansion	39.4
b. University Hospital—Fire safety improvements	0.5
c. Washington Technology Center—New construction	0.8
d. Various safety repairs and improvements	1.7
e. Miscellaneous small projects	1.5
University of Washington Total	43.9
4. Washington State University	
a. Electrical/Mechanical Engineering Bldg.—Construction	6.8
b. Chemistry Bldg.—New construction	0.7
Washington State University Total	7.5
5. Commission for Vocational Education	
Fire service training facility—Construction	4.6
6. Clark Community College	
a. Heating system replacement	3.6
b. Parking improvements and other small projects	0.6
c. The Evergreen State College Bldg.—Construction	0.4
Clark Community College Total	4.6
7. Miscellaneous agency small projects	10.5
Total State Construction in Progress	$203.1

I. Amount to be Provided for Retirement of General Long-Term Obligations

The balance of this account represents the amount to be provided from future taxes or other general revenues to retire outstanding general long-term obligations.

J. Accounts Payable

Accounts Payable at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Accounts Payable by Account
Accounts Payable	$ 174,572	$ 79,763	.....	$ 11,795	$ 24,913	$ 14,312	$ 12,706	$ 318,061
Accounts Payable—Other Agencies	8,842	7,662	.....	37	9,087	2,757	75,686	104,071
Total Accounts Payable By Fund Type	$ 183,414	$ 87,425	.....	$ 11,832	$ 34,000	$ 17,069	$ 88,392	$ 422,132

1. Accounts Payable—This balance represents the amount owing on an open account for goods and services received but for which disbursements have not been made.
2. Accounts Payable—Other Agencies—This balance represents the amount owing to other state agencies for goods and services received but for which disbursements have not been made.

K. Contracts Payable

Contracts Payable at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Government Fund Types				Propriety Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Contracts Payable by Account
Contracts Payable	$ 2,112	$ 1,349	.....	$ 1	$ 156	$ 243	$ 22	$ 3,883
Construction Contracts Payable	9	1,045	.....	2,097	.....	.....	.....	3,151
Installment Contracts Payable	.....	.....	.....	.....	543	2,586	.....	3,129
Lease Agreements Payable	.....	28	.....	.....	36	1,644	.....	1,708
Total Contracts Payable By Fund Type	$ 2,121	$ 2,422	.....	$ 2,098	$ 735	$ 4,473	$ 22	$ 11,871

1. General Fund — Approximately fifty-one percent of the contracts payable are owed by the Department of Social and Health Services to providers of health services. Approximately forty-eight percent of the contracts payable are owed by the Department of Ecology for hazardous waste site control.
2. Special Revenue Funds — Approximately ninety-two percent of the contracts payable are owed by the Department of Personnel to providers of state employees' insurance. Approximately eighty-nine percent of the construction contracts payable are owed by the State Board of Education for the state share of local school construction.
3. Capital Project Funds — Approximately ninety-one percent of the construction contracts payable are owed by the Department of Social and Heath Services for major improvements at state owned institutions.
4. Internal Service Funds — Approximately ninety-nine percent of the installment contracts are owed by the Department of General Administration for data processing equipment at Service Center No. 1. Approximately ninty-one percent of the lease agreements payable are owed for data processing equipment at Service Center No. 3.

L. Accrued Liabilities

Accrued Liabilities at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Accrued Liabilities By Account
Accrued Salaries Payable	$ 32,663	$ 26,702	.....	$ 99	$ 8,260	$ 3,783	$ 21,379	$ 92,886
Accrued Annual Leave Payable	.....	.....	.....	.....	8,578	4,148	.....	12,726
Interest Payable	3	.....	1,125	.....	4,610	93	.....	5,831
Annuities Payable	.....	.....	.....	.....	1,972	.....	.....	1,972
Accrued Prizes Payable	.....	.....	.....	.....	1,344	.....	.....	1,344
Other Short-Term Liabilities	7,133	10,919	2	.....	42,677	169	49,881	110,781
Total Accrued Liabilities By Fund Type	$ 39,799	$ 37,621	$ 1,127	$ 99	$ 67,441	$ 8,193	$ 71,260	$ 225,540

1. Accrued Salaries, Payable — The state of Washington has implemented a 10-day semi-monthly lag payroll system for employees. The balance shown represents employees' salaries earned from June 16-30, 1985 and not paid until July 10, 1985. Also included in this balance are any outstanding amounts from previous payroll periods.
2. Accrued Annual Leave Payable — This balance represents accumulated employee annual leave earned but not taken in proprietary funds.
3. Interest Payable — This balance represents the amount of interest owed on accounts and contracts payable.
4. Annuities Payable — This balance represents the amount owed by the Lottery Commission to insurance companies for annuities purchased to provide payments to the grand prize winners of the state lottery.
5. Accrued Prizes Payable — The state of Washington established a State Lottery in November 1982, which is administered by the Lottery Commission. By statute the Lottery is required to provide a minimum prize payout of forty-five percent of sales. At the time the commission wholesales lottery tickets to its licensed distributors, the minimum payout requirement is recorded as accrued prizes payable. The amount shown on the balance sheet represents the potential prizes payable for all tickets distributed by the commission as of June 30, 1985. The two major factors affecting the eventual dollar amounts of payouts are: that not all winning tickets will be returned within the required 180 days of the official end of each game and that not all tickets for a particular game will be sold. Any unsold tickets held by distributors will be returned to the Commission.
6. Other Short-Term Liabilities — This balance represents other current liabilities not specifically identified by type.

M. Due to Other Governments

Due to Other Governments at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary	Fund Types	Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Due To Other Gov'ts. By Account
Federal Government	$ 25,047	$ 3,431	.....	$ 98	.....	$ 347	$ 14,773	$ 43,696
Local Government	2,780	11,152	.....	.....	.....	19	33,909	47,860
Total Due to Other Governments By Fund Type	$ 27,827	$ 14,583	.....	$ 98	.....	$ 366	$ 48,682	$ 91,556

N. Deferred Revenues

The balance in this account represents the amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Deferred Revenues at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Total
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Deferred Revenues
Department of Revenue	$ 586,747	$	$	$	$	$	$	$ 586,747
University of Washington	434	75,236	91	91	6,770	.....	4,836	87,458
Department of Transportation	553	85,423	.....	.....	.....	.....	863	86,839
Department of Social and Health Services	64,077	4	.....	.....	.....	.....	13	64,094
Department of Natural Resources	10,309	26,541	88	940	1,440	62	1,755	41,135
Department of Employment Security	17	1,236	.....	.....	.....	.....	39,806	41,059
Other General Government	458	2,285	.....	.....	5,888	2,237	445	11,313
Other Human Resources	865	178	.....	.....	121	.....	9,917	11,081
Other Natural Resources and Recreation	2,009	11,197	.....	5,683	.....	.....	1,171	20,060
Other Transportation	2,361	5,743	.....	.....	.....	.....	.....	8,104
Other Education	493	9,932	.....	267	304	57	1,039	12,092
Total Deferred Revenues by Fund Type	$ 668,323	$ 217,775	$ 179	$ 6,981	$ 14,523	$ 2,356	$ 59,845	$ 969,982

O. Deposits and Retainage Payable

Deposits and Retainage Payable at June 30, 1985 consisted of the following (amounts expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Total
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total Deposits & Retainage Payable By Account
Deposits Payable	$ 9,392	$ 28,027	$ 2,593	$ 1,017	$ 22,415	.....	$ 10,601	$ 74,045
Retainage Payable	59	18,487	.....	6,771	30	.....	97	25,444
Total Deposits & Retainage Payable by Fund Type	$ 9,451	$ 46,514	$ 2,593	$ 7,788	$ 22,445	.....	$ 10,698	$ 99,489

Following is an explanation of the balances in these accounts by fund type.

DEPOSITS PAYABLE:

1. General, Special Revenue, Debt Service and Capital Project Funds—The majority represents deposits made by logging companies for the rights to harvest timber on state lands managed by the Department of Natural Resources. A logging company must deposit ten percent of its successful bid with the Department of Natural Resources. The company has a five-year period to complete the logging operations. The deposit can be used as part of the final payment on the timber harvested.
2. Enterprise Funds—The majority of these deposits are with the Department of Labor and Industries in the Workers' Compensation Fund.
3. Trust and Agency Funds—Approximately sixty-seven percent of the deposits are for timber harvest rights previously described. Approximately eighteen percent of the deposits are for programs administered by the Department of Social and Health Services, through the Support Enforcement Non-Assistance Service Account and the Institutional Residents Deposit Fund. Approximately thirteen percent of the deposits are for local funds administered by Eastern Washington University.

RETAINAGE PAYABLE:

Major construction projects financed by the state usually include provisions to withhold a percentage of the payments pending final inspection or the lapse of a specific time period.

1. Special Revenue Funds—Approximately eighty-four percent is for state highway construction financed through the Department of Transportation. Approximately fifteen percent is for common school construction financed through the State Board of Education.

2. Capital Project Funds — Approximately forty-four percent is for construction projects financed through the Department of Corrections. Approximately thirty-six percent is for construction projects financed through the University of Washington and Washington State University. Approximately seventeen percent is for construction projects financed through the Department of Social and Health Services.

P. Workers' Compensation Payable (Note 7 Workers' Compensation Program, page 52)

1. Current benefits payable represent the current liability of the Department of Labor and Industries to pay benefits to qualifying individuals sustaining work related injuries.

2. Long-term benefits payable represent the actuarial value of the Department of Labor and Industries liability to pay future benefits to qualifying individuals sustaining work related injuries. These amounts represent an actuarial liability established during an analysis conducted during the year.

Q. Bonds Payable

1. Matured bonds payable and bonds payable at June 30, 1985 consisted of the following (amounts expressed in thousands). A detailed schedule of bonds payable for the General Long-Term Obligations Account Group at June 30, 1985 is shown on pages 60 and 61.

General Long-Term Obligations Account Group:

School Buildings Construction	$ 51,140
Institutional and Public Buildings	727,730
Highways	629,610
Administrative Buildings	108,430
General	881,140
Total Bonds Payable	$2,398,050

Proprietary Fund Types:

Description	Enterprise Funds		Internal Service Funds		Total
	Matured	Unmatured	Matured	Unmatured	
State Convention and Trade Center	.....	$ 92,750	.....	.....	$ 92,750
Higher Education Facilities	.....	.....	45	320	365
State Ferry System	980	21,300	.....	.....	22,280
Higher Education Student Body	940	21,995	.....	.....	22,935
Spokane River Toll Bridge	270	3,395	.....	.....	3,665
Higher Education Facilities	.....	1,410	.....	.....	1,410
Higher Education Housing and Food	2,927	81,858	.....	.....	84,785
Total Matured Bonds Payable and Bonds Payable	$ 5,117	$ 222,708	$ 45	$ 320	$ 228,190

Note: Included in proprietary funds are the following bonds which, although they are paid from and accounted for in enterprise funds, they were issued as general obligation bonds and are backed by the full faith and credit of the state of Washington (amounts expressed in thousands):

a. Washington State Convention and Trade Center Convention Center General Obligation "Series AT" outstanding at June 30, 1985 $92,750.

b. Washington State Department of Transportation Spokane River Toll Bridge General Obligation outstanding at June 30, 1985 $3,665.

2. Debt Service Requirements

Total debt service requirements for general long-term obligation bonds to maturity as of June 30, 1985 are as follows (amounts expressed in thousands):

	Principal	Interest	Total
By Fiscal Year:			
1986	$ 82,725	$ 196,373	$ 279,098
1987	87,440	189,904	277,344
1988	91,580	182,291	273,871
1989	96,745	174,816	271,561
1990	102,200	167,480	269,680
1991-1995	589,360	710,975	1,300,335
1996-2000	660,580	517,966	1,178,546
2001-2005	466,430	233,029	699,459
2006-2010	220,990	56,450	277,440
Total Debt Service Requirements	$ 2,398,050	$ 2,429,284	$ 4,827,334
By Type of Issue:			
School Buildings Construction	$ 51,140	$ 35,329	$ 86,469
Institutional and Public Buildings	727,730	697,062	1,424,792
Highways	629,610	564,386	1,193,996
Administrative Buildings	108,430	135,823	244,253
General	881,140	996,684	1,877,824
Total Debt Service Requirements	$ 2,398,050	$ 2,429,284	$ 4,827,334

3. Legal Debt Limitation

As certified by the State Treasurer, the maximum debt authorization subject to limitation for Fiscal Year 1985 was $1,915.1 million, under the then current constitutional and statutory limitations. This computation excludes specific bond issues and types which are not secured by general state revenues. Of the $2,398.1 million general long-term obligation bonds outstanding, $887.2 million general obligation bonds are excluded from the legal debt limitation calculation. Therefore, the remaining $1,510.9 million general obligation bonds outstanding subject to the limitation do not exceed the authorized debt limitation.

4. Refunded and Defeased Long-Term Debt

State defeased and state agency refunded debt as shown on pages 62 and 63 is secured by U.S. Government securities in escrow with the respective banks appointed as bond trustees. Therefore these bonds are excluded from state debt totals.

R. Changes in General Long-Term Obligations:

Changes in general long-term obligations for the year ended June 30, 1985 are summarized as follows (amounts expressed in thousands):

	Bonds Payable	Installments & Leases Payable	Other Long-Term Payables	Total General Long-Term Obligations
Balance at July 1, 1984	$ 2,282,408	$ 8,298	$ 18,241	$ 2,308,947
Proceeds	328,385	.....	.....	328,385
Increase in Other Obligations	.....	12,938	16,381	29,319
Retirement of Principal	(212,743)	(2,418)	(944)	(216,105)
Adjustments[1]	.....	3,090	32,011	35,101
Balance at June 30, 1985	$ 2,398,050	$ 21,908	$ 65,689	$ 2,485,647

[1]The major portion of adjustments resulted from an entry to record the liability for previous years' accrual of annual leave.

S. Other Long-Term Obligations

Other long-term obligations at June 30, 1985 consisted of the following (amounts expressed in millions):

Enterprise Funds	
1. The Department of Labor and Industries has recorded the present value of administrative expenses related to processing accrued benefit claims payable from the Workers' Compensation Fund. Projected administrative costs for the Accident plan are $56.4 million and for the Medical Aid plan are $71.1 million.	$127.5
2. The University of Washington Parking System issued a ten year revenue note to Peoples National Bank of Washington, the proceeds of which were used to finance construction of a parking garage.	5.1
3. Eastern Washington University issued a ten year note to Rainier National Bank to finance in part the repayment of three bond issues. The proceeds of these bond issues were for the construction of student dormatories.	1.6
4. Other long-term lease agreements.	1.1
Internal Service Funds	
1. The State Data Processing Authority has commitments for computer hardware. These commitments are financed by user charges to state agencies.	12.8
2. The Department of General Administration has commitments for the purchase of land and buildings.	2.5
3. Other long-term lease agreements.	.6
Nonexpendable Trust Funds	
1. Other long-term commitments	.6
General Long-Term Obligations Account Group	
1. The annual leave unpaid liability for governmental funds.	50.9
2. The State Parks and Recreation Commission has commitments for property and land acquisitions.	11.5
3. The University of Washington has the following commitments:	
a. Lease of data processing equipment.	5.5
b. Lease of equipment for University Hospital.	2.6
c. Property and land acquisitions.	1.8
4. A portion of interest income earned by the State Convention and Trade Center since fiscal year 1983 has been retained in the General Fund.	3.2
5. Other long-term installment contracts and lease agreements.	12.1
Total Other Long-Term Obligations	$239.4

T. Fund Equity

Certain fund equity balances at June 30, 1985 are explained below (amounts expressed in thousands):

General Fund

1.	Reserved for Restricted accounts		$ 12,889
	This amount represents fund balances of accounts within the general fund which have been restricted by the legislature.		
2.	Reserved for Other Specific Purposes		39,330
	a. Loans	39,109	
	b. Petty Cash	221	

Special Revenue

1.	Reserved for Other Specific Purposes		16,615
	a. Loans	16,362	
	b. Petty Cash	253	

Proprietary Fund Types

1.	Retained Earnings Reservation		102,585
	a. Workmen's Compensation	91,885	
	b. Debt Service	8,557	
	c. Other	2,143	

Fiduciary Fund Types

1.	Reserved for Other Specific Purposes		99,109
	a. Loans	65,825	
	b. Deferred Compensation	33,284	

Note 4—SEGMENT INFORMATION—ENTERPRISE FUNDS

The state of Washington operates enterprise funds which are intended to be self-supported through fees charged to the public. Certain of these funds are further broken down into individual accounts for administrative purposes. Enterprise fund activities operated by the State include the following:

		Primary Source of Revenue or Purpose
1.	Liquor Fund	Sales of Liquor, and licenses and permits to sell Liquor.
2.	Workers' Compensation Fund	Employer contributions for workmen's compensation for employment related accidents and disabilities.
3.	Lottery Fund	Washington State Lottery revenues and operations.
4.	Natural Resources Fund	Property and resource management fees, and interest earnings.
5.	Transportation Fund	Tolls and fares related to various bridge and ferry operations.
6.	Higher Education Enterprises Fund	Sales and fees related to housing, food service, bookstore and other enterprises managed by state colleges and universities.
7.	Other Enterprise Funds	Services and fees charged by various departments including: Department of Social and Health Services, Department of Corrections, and the State Convention and Trade Center.

The table below reflects in a summarized format the significant enterprise fund activities which have occurred during the fiscal year ended June 30, 1985. Interfund transactions have not been eliminated for the purposes of this analysis:

ENTERPRISE
SEGMENT INFORMATION
(Expressed in Thousands)

	Liquor Fund	Workers' Compensation Fund	Lottery Fund	Natural Resources	Transportation Fund	Higher Education	All Other Funds	Total Enterprise Funds
Selected Information:								
Operating Revenues	$ 90,125	$ 535,958	$ 156,638	$ 7,872	$ 74,618	$ 129,414	$ 13,337	$ 1,007,962
Depreciation and Amortization	735	629	220	14	8,233	6,791	595	17,217
Operating Income (loss)	49,104	(387,469)	55,959	2,405	(8,755)	9,516	3,192	(276,048)
Operating Interfund Transfers (NET)	(29,637)	(2,347)	(65,334)			(5,539)	1,669	(101,188)
Net Income (loss)	(3,018)	(152,744)	(9,302)	3,561	(8,812)	7,731	6,904	(155,680)
Current Capital Contribution					14,892	20		14,912
Net Working Capital	16,183	(244,447)	92	16,346	(28,432)	79,582	92,450	(68,226)
Total Assets	48,829	2,263,486	12,904	20,212	314,856	281,189	116,372	3,057,848
Bonds and Other Long-Term Liabilities Payable from Operating Revenues		1,975,907	103		24,695	112,658	93,072	2,206,435
Total Equity	19,192	(173,952)	1,059	16,892	245,530	142,689	17,675	269,085

Note 5—RETIREMENT SYSTEMS

The state of Washington sponsors six active retirement systems for its own employees and for other non federal public employees in the state. Chapter 105, Laws of 1975-76 created the Office of State Actuary, who is appointed by a special committee of the Legislature. The State Actuary performs all actuarial services for the Department of Retirement Systems, including all studies required by law.

In 1980, the State Actuary performed analyses of the actuarial assumptions and methods used for the Public Employee's Retirement System, Teacher's Retirement System and Law Enforcement Officers' and Firefighters' Retirement System. As a result of these studies, major changes in the actuarial basis of these systems were adopted. Actuarial results developed on this basis were first disclosed in the Annual Financial Report for the year ending June 30, 1980. The following table was developed by the State Actuary from the reports of actuarial valuations of these systems and are not included in the financial statements. The figures and amounts presented are the latest numbers provided by the Office of State Actuary:

Item	Public Employees	Teachers	Law Enforcement Officers & Firefighters	State Patrol	Judicial[1]	Volunteer Firemen
1. Latest Valuation Date	12-31-83	6-30-83	12-31-83	6-30-83	12-31-83	7-1-82
2. State Contribution Rate — Latest Actuarial Valuations						
Plan I	8.60%	18.10%	82.18%	22.94%	49.45% (est.)	40% of Fire Insurance
Plan II	7.76%	14.66%	41.95%	N/A	N/A	Premium tax & annual fee from employer and employee
3. Funding status (Dollars in millions)						
a. Present value of accrued vested benefits	$3,079	$2,538	$2,823	$78	$33.6	N/A
b. Valuation assets	2,732	1,614	923	86	1.6	$22.3
c. Unfunded present value of accrued benefits (a-b)	347	924	1,900	(8)	32.0	N/A
d. Funding Ratio (b÷a)	88.73%	63.59%	32.69%	109.47%	4.82%	N/A

[1]The Judicial Retirement System is funded on a pay as-you-go basis. The 1985-87 appropriation is equivalent to about 7.5% of covered salaries.

Note 6—DEFERRED COMPENSATION PLAN

The state of Washington has a deferred compensation plan pursuant to RCW 41.04.250 and the provisions of Section 457 of the Internal Revenue Code. Under the plan, eligible state employees may execute an individual agreement with the state whereby a portion of an employee's salary or wages may be deferred until such time as the employee terminates employment, becomes disabled, retires or dies. All money, property and rights held under the plan, until made available to participating employees, are solely the money, property, and rights of the state and are subject only to the claims of the state's general creditors.

Employees participating in the plan may defer the lesser of $7,500 or 25 percent of their annual gross compensation from the state. In the three years prior to normal retirement participants may defer, under certain circumstances, up to $15,000 of their annual compensation. Amounts accumulated under the plan have been placed with a selected bank, credit union, savings and loan association and legal reserve life insurance company for the purpose of investing and disbursing such monies for the state. Participants terminating employment with the state have several payout options including lump sum payment, installments over a pre-selected period, and various periodic annuities.

Plan assets, which amounted to $33.3 million at June 30, 1985, are reported in the Expendable Trust Fund category. The participant's share is reported as Fund Balance Reserved for Deferred Compensation.

A summary of the increases and decreases of the fund for the year ended June 30, 1985 is as follows (amounts expressed in thousands):

Fund assets (at market value), July 1, 1984	$	18,104
Deferrals of compensation		13,696
Earnings and adjustment to market value		3,393
Payments to eligible participants and beneficiaries		(1,492)
Administrative expenses		(417)
Fund assets (at market value), June 30, 1985	$	33,284

Amounts accumulated under the plan are excluded from resources for budgetary purposes and similarly, amounts disbursed to participants upon termination are not treated as expenditures for budgetary purposes.

Note 7—WORKERS' COMPENSATION PROGRAM

The state of Washington requires employers to secure payment of benefits for job-related injuries or diseases either by paying insurance premiums to the State Fund or by self-insuring. Direct private insurance is not authorized, although self-insurers are permitted to reinsure up to 80% of their obligation through private insurers. The laws governing workers' compensation are contained in Chapter 51 RCW. There are five authorized benefit plans; a discussion of each plan follows.

The Accident plan pays compensation directly to injured employees for lost wages during temporary disability and for permanent partial disability awards under specific benefit schedules. This plan also funds State Fund pension benefits to survivors of fatally injured workers and workers adjudged to be permanently and totally disabled. This plan also pays some related ancillary expenses. Financing is primarily by premiums paid by State Fund employers.

The Medical Aid plan pays benefits to the providers of medical services to injured workers. Employers are allowed to withhold half of the medical aid premium from employees' wages.

The Pension Reserve plan pays benefits to all pensioners including self-insured claimants. When a pension is established, the actuarial present value of the pension is deposited in the Pension Reserve plan. The Accident plan makes the deposit for State Fund pensions. A self-insurer has the option of making a cash deposit or purchasing a surety bond to guarantee benefit payments; when a bond is purchased reimbursements coincide with benefit payments.

The Accident, Medical Aid and Pension Reserve plans are required to be maintained on an actuarially solvent basis, except that a cash flow basis is authorized for the Pension Reserve plan when benefits are guaranteed by a surety bond.

The Supplemental Pension plan pays cost of living increases to pensioners and workers receiving temporary disability benefits. Cost of living increases are based on the increase in the state average wage during the preceding calendar year and are granted in July. This plan is financed through assessments to self-insurers and State Fund employers, half of the assessment may be deducted from employees' wages.

The Second Injury plan makes present value transfers to the Pension Reserve plan where a pre-existing disability is a major factor in the claimant's pension status. This plan contains no State Fund assets however; the Accident and Medical Aid plans include full reserves for State Fund claims. In effect they are fully funded provided the Accident and Medical Aid plans are solvent. Most self-insurers secure payment of future benefits by purchasing surety bonds.

The employer assessment rate for the Supplemental Pension and Secondary Injury plans are scheduled each year to provide the funds for projected payments.

Note 8—SUMMARY OF SIGNIFICANT LITIGATION

The state and its agencies are parties to numerous routine legal proceedings which normally occur in governmental operations, but the recurring pattern of such litigation is not likely to have a material adverse effect on the state's financial position. In addition, the state is involved with the following extraordinary legal proceedings which could have a material impact on certain state funds if judgments were entered adverse to the state:

A. *American Federation of State and County Municipal Employees et al. v. State of Washington, et al.,* (United States Court of Appeals, Ninth Circuit)

This is the "comparable worth" litigation which has been pending since 1982. The Ninth Circuit Court of Appeals has reversed in all respects the District Court judgment which had concluded that the State's compensation of employees discriminated against female employees. A Petition for Reconsideration by the plaintiff union is currently pending with the Ninth Circuit Court of Appeals.

B. *National Can Corp., et al. v. State of Washington,* (State Supreme Court No. 51910-2)

Manufacturers of products in Washington which are sold elsewhere and manufacturers of products elsewhere which are sold in Washington have challenged the constitutionality of Washington's business and occupation (B&O) tax. The suit alleges that the imposition of the manufacturing and selling B&O taxes discriminate against interstate commerce in violation of the Commerce Clause of the U.S. Constitution.

The Department of Revenue estimates the state's potential refund liability for the years 1980 through 1984 at $423.7 million. Of this amount, $247.7 million is attributable to manufacturing B&O tax and $176.0 million to the selling B&O tax. The trial court ruled in favor of the state and sustained the imposition of both the manufacturing and selling B&O taxes. The case has been argued to the Washington Supreme Court which has the matter under advisement with a decision expected in 1986.

Note 9—SUMMARY OF SUBSEQUENT EVENTS

On August 1, 1985 and October 1, 1985, the State issued, respectively, $233.2 million and $235.0 million state of Washington general obligation and general obligation refunding bonds.

The refunding bonds are authorized to be issued pursuant to Chapter 138, Laws of 1965, as amended (Chapter 39.53 RCW, the "Bond Refunding Act," which generally authorizes issuance of refunding bonds by the state and local government), and Chapter 184, Laws of 1971, ex. sess. (Chapter 39.42 RCW, the act which empowers the State Finance Committee to issue general obligation bonds on behalf of the State and which contains the limitations on State debt). The Bond Refunding Act permits the issuance of State general obligation bonds without an election to refund outstanding general obligation bonds in order, among other things, to effect a savings and/or to modify the sources of payment, covenants, or other terms of the bonds to be refunded.

The August issue included $138.7 million refunding bonds which were issued for the purpose of advance refunding 13 series of general obligation and motor vehicle fuel tax general obligation bonds dated September 1, 1981, issued in the original principal amount of $128.6 million, of which $121.1 million is presently outstanding. The refunding is being undertaken by the State to effect a savings in debt service. The outstanding bonds will be defeased by this refunding.

The October issue included $132.0 million refunding bonds which were issued for the purpose of advance refunding 13 series of general obligation bonds dated May 1, 1982, issued in the original principal amount of $118.8 million, of which $109.9 million is presently outstanding. The refunding is being undertaken by the State to effect a savings in debt service. The outstanding bonds will be defeased by this refunding.

The balance of the bonds included in both the August and October sales constituted "new money" bonds. These totaled $197.5 million various purpose and motor vehicle fuel tax general obligation bonds. The bonds were issued for the purpose of financing the planning, acquisition, construction, and improvement of common school plant facilities, fisheries facilities, jail facilities, higher education facilities, waste disposal facilities, State buildings and facilities, facilities for social and health services, State highways, and county and city urban arterials.

SCHEDULES

STATE OF WASHINGTON
Revenues by Fund Type and Source
GAAP Basis
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Taxes:				
Retail sales	$ 1,968,838	.....	$ 40,906	.....
Business and occupation	731,490	.....	.....	.....
Use (compensating)	178,218	.....	.....	.....
Motor vehicle & fuel	2,836	297,764	71,090	.....
Liquor, beer, wine	73,250	8,541	.....	.....
Cigarette and tobacco	97,419	.....	.....	.....
Insurance premiums	63,068	.....	.....	.....
Public utility	151,645	.....	.....	.....
Pari-mutuels and amusements	5,103	4,568	.....	.....
Property	503,146	.....	.....	.....
Motor vehicle excise	194,770	22,497	.....	.....
Other excise	82,556	25,455	.....	.....
Gift and inheritance	20,355	.....	.....	.....
Other taxes	72,125	70	.....	.....
Subtotal	4,144,819	358,895	111,996	.....
Tax Credits:				
Business and occupation	(7,882)	.....	.....	.....
Other tax credits	(1,292)	.....	.....	.....
Total Taxes	4,135,645	358,895	111,996	.....
Licenses, Permits and Fees:				
Business and professions	23,579	2,547	.....	.....
Hunting and fishing	2,188	15,051	.....	.....
Motor vehicle	390	127,681	.....	.....
Motor vehicle operators	3,191	10,704	.....	.....
Other fees	8,504	28,126	.....	.....
Total Licenses, Permits and Fees	37,852	184,109	.....	.....
Federal Grants-in-Aid:				
Health and human services	694,521	96,844	6	29
Department of labor	62,113	59,600	.....	.....
Department of agriculture	68,689	12,785	.....	.....
Department of transportation	4,513	366,021	.....	.....
Department of education	109,864	16,823	164	.....
Other federal grants-in-aid	65,355	93,108	.....	174
Total Federal Grants-in-Aid	1,005,055	645,181	170	203
Charges for Services:				
Tuition and student fees	116,482	30,184	3,161	15,141
Other charges	16,709	121,609	.....	(78)
Total Charges for Services	133,191	151,793	3,161	15,063
Miscellaneous Revenue:				
Earnings on investments	32,233	59,392	17,044	10,815
Pension contributions	.....	5,074	.....	.....
Unemployment comp. contributions	.....	.....	.....	.....
Workmen's comp. contributions	.....	.....	.....	.....
Lottery ticket proceeds	.....	.....	.....	.....
Property and timber management	46,142	55,347	6,540	5,703
Fines and forfeitures	18,410	6,217	11	20
Contributions and grants	16,260	53,664	.....	1,144
Other	1,359	23,075	1,147	(60)
Total Miscellaneous Revenue	114,404	202,769	24,742	17,622
Gross Sales:				
Liquor sales	.....	.....	.....	.....
Other sales	.....	.....	.....	.....
Less cost of goods sold	.....	.....	.....	.....
Total Gross Profit on Sales	.....	.....	.....	.....
Total Operating Revenues	5,426,147	1,542,747	140,069	32,888
Cost of goods sold	.....	.....	.....	.....
Interest income	.....	.....	.....	.....
Bond sale proceeds	.....	100,145	161,771	63,795
Operating transfers in (out)	39,836	(74,541)	127,926	15,745
Other revenue & financing sources	4,575	7,096	.....	.....
Total Gross Revenues	$ 5,470,558	$ 1,575,447	$ 429,766	$ 112,428

Proprietary Fund Types		Fiduciary Fund Types			Totals (Memorandum Only)	
Enterprise	Internal Service	Expendable Trust	Nonexpendable Trust	Pension Trust	Year Ended June 30, 1985	Year Ended June 30, 1984
.....	.....	.....	.....	.....	$ 2,009,744	$ 1,970,711
.....	.....	.....	.....	.....	731,490	677,964
.....	.....	.....	.....	.....	178,218	148,905
.....	.....	.....	.....	.....	371,690	339,837
21,305	.....	.....	.....	.....	103,096	104,261
.....	.....	.....	.....	.....	97,419	99,032
.....	.....	.....	.....	.....	63,068	54,797
.....	.....	.....	.....	.....	151,645	129,574
.....	.....	.....	.....	.....	9,671	10,680
.....	.....	.....	.....	.....	503,146	472,273
.....	.....	.....	.....	.....	217,267	207,990
5,105	.....	.....	.....	.....	113,116	110,324
.....	.....	.....	.....	.....	20,355	20,205
20	.....	.....	.....	.....	72,215	69,548
26,430	.....	.....	.....	.....	4,642,140	4,416,101
					(7,882)	(74,880)
.....	.....	.....	.....	.....	(1,292)	(743)
.....	.....	.....	.....	.....		
26,430	.....	.....	.....	.....	4,632,966	4,340,478
					26,126	25,964
.....	.....	.....	.....	.....	17,239	17,119
.....	.....	.....	.....	.....	128,071	122,009
.....	.....	.....	.....	.....	13,895	13,167
.....	.....	.....	.....	.....	43,887	42,036
7,257	.....	.....	.....	.....		
7,257	.....	.....	.....	.....	229,218	220,295
.....	.....	2,066	.....	.....	793,466	671,808
4,660	.....	79,011	.....	.....	205,384	265,422
.....	1,684	12,721	.....	.....	95,879	71,035
.....	.....	2	.....	.....	370,536	249,006
319	.....	34,257	.....	.....	161,427	140,785
9,160	111	1,078	.....	.....	168,986	146,624
14,139	1,795	129,135	.....	.....	1,795,678	1,544,680
19,081	915	3,926	.....	.....	188,890	153,093
120,873	185,135	586	52	.....	444,886	439,230
139,954	186,050	4,512	52	.....	633,776	592,323
.....	.....	13,604	11,390	547,759	692,237	577,551
.....	.....	.....	.....	702,882	707,956	700,837
.....	.....	450,009	.....	.....	450,009	415,303
530,875	.....	109,261	.....	.....	640,136	531,979
156,624	.....	.....	.....	.....	156,624	164,927
23,321	4,140	38	8,362	.....	149,593	137,699
775	293	6,529	194	.....	32,449	26,593
23,791	37	14,828	8,581	.....	118,305	105,818
10,024	(805)	24,180	61	2,202	61,183	60,316
745,410	3,665	618,449	28,588	1,252,843	3,008,492	2,721,023
215,184	.....	.....	.....	.....	215,184	231,281
43,662	93,924	.....	.....	.....	137,586	108,161
(184,074)	(82,338)	.....	.....	.....	(266,412)	(269,926)
74,772	11,586	.....	.....	.....	86,358	69,516
1,007,962	203,096	752,096	28,640	1,252,843	10,386,488	9,488,315
184,074	82,338	.....	.....	.....	266,412	269,926
263,604	4,638	.....	.....	.....	268,242	204,683
.....	.....	.....	.....	.....	325,711	439,083
(101,188)	(1,411)	(3,027)	(2,876)	(464)	.....	1,340
298	1,122	31	158	48	13,328	18,674
$ 1,354,750	$ 289,783	$ 749,100	$ 25,922	$ 1,252,427	$ 11,260,181	$ 10,422,021

STATE OF WASHINGTON
Expenditures/Expenses by Fund Type, Function/Object
GAAP Basis
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
By Function				
General Government	$ 519,417	$ 138,625	$ 430,973	$ 8,657
Human resources	1,952,384	117,070	.....	84,318
Natural resources	144,834	120,011	.....	12,339
Transportation	21,760	808,948	.....	292
Education	2,671,465	483,359	1,135	74,875
Total Gross Expenditures/Expenses	$ 5,309,860	$ 1,668,013	$ 432,108	$ 180,481
By Object				
Salaries and Wages:				
Higher education	$ 449,516	$ 213,902	.....	$ 171
All other	509,640	242,384	.....	1,813
Total salaries and wages	959,156	456,286	.....	1,984
Personal services	20,338	36,244	.....	13
Goods and services	331,138	293,709	.....	5,825
Travel	19,482	22,592	.....	145
Employee benefits	220,085	94,358	.....	347
Grants and subsidies:				
K-12 basic education	1,913,490	.....	.....	.....
Public assistance	1,139,432	.....	.....	.....
Unemployment compensation	.....	.....	.....	.....
Other miscellaneous	637,386	293,191	.....	8,126
Total grants and subsidies	3,690,308	293,191	.....	8,126
Depreciation and amortization	.....	.....	.....	.....
Pension benefit payments	.....	.....	.....	.....
Worker's compensation benefits	.....	.....	.....	.....
Other miscellaneous	8,306	4,605	.....	1,031
Total Operating Expenditures/Expenses	5,248,813	1,200,985	.....	17,471
Capital Outlay:				
Equipment	49,645	44,233	.....	8,721
All other	5,401	418,926	.....	154,223
Total capital outlay	55,046	463,159	.....	162,944
Debt service	6,001	3,869	432,108	66
Cost of goods sold	.....	.....	.....	.....
Interest expense	.....	.....	.....	.....
Local government distributions	.....	.....	.....	.....
Total Gross Expenditures/Expenses	$ 5,309,860	$ 1,668,013	$ 432,108	$ 180,481

Proprietary Fund Types		Fiduciary Fund Types			Totals (Memorandum Only)	
Enterprise	Internal Service	Expendable Trust	Nonexpendable Trust	Pension Trust	Year Ended June 30, 1985	Year Ended June 30, 1984
$ 327,765	$ 148,508	$ 8,628	.....	$ 469,204	$ 2,051,777	$ 1,842,991
934,085	67	569,986	.....	.....	3,657,910	3,284,588
7,114	7,279	971	.....	.....	292,548	272,042
84,375	28,116	.....	.....	.....	943,491	729,323
157,091	91,521	65,692	.....	.....	3,545,138	3,256,488
$ 1,510,430	$ 275,491	$ 645,277	.....	$ 469,204	$ 10,490,864	$ 9,385,432
$ 45,962	$ 21,685	$ 1,022	.....	.....	$ 732,258	$ 693,388
104,559	47,097	1,166	.....	47	906,706	826,343
150,521	68,782	2,188	.....	47	1,638,964	1,519,731
14,850	1,373	7	.....	7,681	80,506	55,671
111,511	83,138	13,752	.....	490	839,563	746,271
7,000	1,666	490	.....	2	51,377	46,969
36,030	15,507	458	.....	9	366,794	331,027
.....	.....	.....	.....	.....	1,913,490	1,833,129
.....	.....	.....	.....	.....	1,139,432	1,083,876
.....	.....	469,683	.....	.....	469,683	591,557
76,990	1,151	158,066	.....	.....	1,174,910	942,254
76,990	1,151	627,749	.....	.....	4,697,515	4,450,816
17,217	19,564	.....	.....	.....	36,781	51,405
.....	.....	.....	.....	460,975	460,975	461,500
849,177	.....	.....	.....	.....	849,177	664,620
20,714	591	86	.....	.....	35,333	4,907
1,284,010	191,772	644,730	.....	469,204	9,056,985	8,332,917
.....	.....	161	.....	.....	102,760	63,198
.....	.....	325	.....	.....	578,875	428,825
.....	.....	486	.....	.....	681,635	492,023
.....	.....	61	.....	.....	442,105	250,425
184,074	82,338	.....	.....	.....	266,412	269,926
18,697	1,381	.....	.....	.....	20,078	16,011
23,649	.....	.....	.....	.....	23,649	24,130
$ 1,510,430	$ 275,491	$ 645,277	.....	$ 469,204	$ 10,490,864	$ 9,385,432

STATE OF WASHINGTON
Schedule of Bonds Outstanding
General Long-Term Obligations Account Group
June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Authorized	Authorized, Not Issued	Issued	Redeemed	Outstanding June 30, 1985
	School Building Construction:					
	Limited Obligation Bonds					
311	Public School Building Revenue	$ 22,000	$	$ 22,000	$ 5,660	$ 16,340
311	Public School Building Revenue	22,500	.....	22,500	5,665	16,835
318	Public School Plant Facilities Revenue	59,000	.....	59,000	59,000	.....
	General Obligation Bonds					
321	Public School Plant Facilities G.O.	16,500	.....	16,500	13,075	3,425
372	Common School Building, "Series AC"	15,968	.....	15,968	1,428	14,540
372	Common School Plant Facilities G.O.	40,170	40,170	.....	.....	.....
	Total School Building Construction	$ 176,138	$ 40,170	$ 135,968	$ 84,828	$ 51,140
	Institutional and Public Building: General Obligation Bonds					
307	Higher Education & Institutional Building G.O.	$ 40,149	$	$ 40,149	$ 37,134	$ 3,015
314	State Building & Higher Education G.O.	63,059	.....	63,059	36,644	26,415
324	Higher Education G.O. "Series C"	30,156	.....	30,156	6,226	23,930
326	Juvenile Correction Institutional Building G.O.	4,600	.....	4,600	4,600	.....
327	State Building G.O. "Series A"	72,165	.....	72,165	17,040	55,125
329	Community College G.O. "Series B" Refunding	59,825	.....	59,825	10,965	48,860
329	Community College G.O. "Series A" Refunding	6,300	.....	6,300	1,740	4,560
330	University of Washington Hospital G.O. "Series M"	8,000	.....	8,000	1,465	6,535
331	Community College Capital Projects G.O.	50,000	.....	50,000	10,420	39,580
332	Wash. State Univ. Office-Laboratory G.O. "Series T"	1,640	.....	1,640	395	1,245
334	Higher Education G.O. "Series E"	7,801	.....	7,801	1,871	5,930
338	State Buildings and Facilities	38,054	38,054	.....	.....	.....
349	Community College Projects G.O. "Series AK"	3,300	.....	3,300	245	3,055
349	Community College Capital Projects G.O. "Series G"	14,775	.....	14,775	3,020	11,755
349	Comm. College Cap. Construction G.O. "Series X"	15,000	.....	15,000	1,490	13,510
349	Community College Capital Projects G.O. "Series R"	6,945	.....	6,945	1,140	5,805
349	Community College Capital Projects G.O. "Series F"	9,000	.....	9,000	2,115	6,885
349	Community College Capital Projects G.O. "Series L"	26,486	.....	26,486	5,001	21,485
353	Higher Education G.O. "Series H"	14,775	.....	14,775	2,660	12,115
356	Social and Health Services G.O. "Series I"	41,400	.....	41,400	6,380	35,020
356	Social and Health Services G.O. "Series U"	20,000	.....	20,000	1,825	18,175
360	Higher Education G.O. "Series AW"	11,250	.....	11,250	45	11,205
360	Higher Education Construction G.O.	8,670	8,670	.....	.....	.....
360	Higher Education G.O. "Series S"	9,450	.....	9,450	1,405	8,045
360	Higher Education G.O. "Series AP"	8,007	.....	8,007	412	7,595
360	Higher Education G.O. "Series V"	13,058	.....	13,058	1,083	11,975
360	Higher Education G.O.	80,610	80,610	.....	.....	.....
365	Higher Education Facilities G.O. "Series W"	35,023	.....	35,023	2,968	32,055
365	Higher Education Construction G.O. "Series AQ-B"	51,500	.....	51,500	880	50,620
365	Higher Education G.O. "Series AQ-A"	34,500	7,500	27,000	945	26,055
365	Higher Education G.O.	33,928	33,928	.....	.....	.....
368	Wash. State Univ. Capital Projects G.O. "Series O"	3,835	.....	3,835	620	3,215
369	Fire Service Training Center G.O. "Series AS"	5,953	.....	5,953	198	5,755
369	Fire Service Training Center G.O. "Series AE"	1,000	.....	1,000	90	910
370	Higher Education Refunding G.O. "Series C" Refunding	48,510	.....	48,510	13,345	35,165
372	Social and Health Services G.O. "Series AL"	187,425	47,425	140,000	3,510	136,490
372	Social and Health Services Construction G.O.	14,660	14,660	.....	.....	.....
372	Social and Health Services G.O. "Series AA"	60,000	.....	60,000	4,355	55,645
372	Social and Health Services G.O.	38,762	38,762	.....	.....	.....
372	Higher Education Short Term Bonds	23,643	23,643	.....	.....	.....
	Total Institutional and Public Building	$ 1,203,214	$ 293,252	$ 909,962	$ 182,232	$ 727,730

STATE OF WASHINGTON
Schedule of Bonds Outstanding—Continued
General Long-Term Obligations Account Group
June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Authorized	Authorized, Not Issued	Issued	Redeemed	Outstanding June 30, 1985
	Highway:					
	Limited Obligation Bonds					
303	Highway Construction Revenue	$ 30,000	$	$ 30,000	$ 16,655	$ 13,345
303	Columbia Basin Revenue	1,850	.....	1,850	1,025	825
303	State Urban Areas Revenue	165,000	.....	165,000	62,155	102,845
303	Ferry Revenue	11,000	.....	11,000	10,250	750
303	County-City Urban Arterials Revenue	107,000	.....	107,000	43,625	63,375
303	Emergency Reserve Revenue	25,000	25,000	.....	.....	.....
303	Highway Building Site and Construction Revenue	4,000	.....	4,000	2,225	1,775
	General Obligation Bonds					
303	Highway Projects G.O. "Series DD"	450,000	294,000	156,000	3,525	152,475
303	County-City Urban Arterials As Amended G.O.	93,000	.....	93,000	21,725	71,275
303	County-City Urban Arterials G.O.	100,000	90,000	10,000	.....	10,000
303	I-90 Highway Projects G.O. "Series CC"	95,000	81,000	14,000	.....	14,000
303	State Urban Areas As Amended—G.O. "Series AA-1"	35,000	.....	35,000	6,655	28,345
303	County-City Urban Arterials G.O. "Series II"	60,000	.....	60,000	5,585	54,415
303	G.O. Refunding "Series 1984B-CC1"	5,510	.....	5,510	45	5,465
304	G.O. Refunding "Series 1984B-B3"	22,035	.....	22,035	180	21,855
304	Ferry System Vessels G.O. "Series B"	115,000	20,000	95,000	6,135	88,865
362	Columbia River Toll Bridge G.O.	80,000	80,000	.....	.....	.....
	Total Highway	$ 1,399,395	$ 590,000	$ 809,395	$ 179,785	$ 629,610
	Administrative Building:					
	Limited Obligation Bonds					
301	General Administration Construction Revenue	$ 5,390	$	$ 5,390	$ 4,840	$ 550
313	East Capitol Site Revenue	4,000	.....	4,000	960	3,040
316	State Capitol Construction Revenue	15,000	.....	15,000	3,600	11,400
	General Obligation Bonds					
323	Office Building G.O. "Series B"	27,000	.....	27,000	6,010	20,990
354	Capitol Campus Facilities G.O. "Series J"	6,325	.....	6,325	735	5,590
372	Office Building G.O. "Series Z"	5,000	.....	5,000	385	4,615
372	State Office & Facilities G.O. "Series AO"	12,062	.....	12,062	462	11,600
372	State Buildings G.O. "Series AV"	64,270	13,270	51,000	355	50,645
372	Corrections/State Buildings G.O.	12,820	12,820	.....	.....	.....
	Total Administrative Building	$ 151,867	$ 26,090	$ 125,777	$ 17,347	$ 108,430
	General: General Obligation Bonds					
306	Fisheries Capital Projects G.O. "Series P"	$ 4,840	$	$ 4,840	$ 720	$ 4,120
306	Fisheries Capital Projects G.O. "Series AN"	6,500	.....	6,500	490	6,010
306	Fisheries Facilities G.O. "Series Y"	6,000	955	5,045	155	4,890
306	Fisheries Capital Projects G.O.	3,359	3,359	.....	.....	.....
312	Water Pollution Control Facilities G.O.	25,000	.....	25,000	12,615	12,385
322	Expo '74 Pavilion G.O. "Series D"	2,900	.....	2,900	600	2,300
336	Waste Disposal Facilities G.O.	200,000	43,000	157,000	17,845	139,155
336	Waste Disposal Facilities G.O. "Series AJ"	445,000	330,000	115,000	1,905	113,095
337	Water Supply Facilities G.O.	75,000	.....	75,000	12,330	62,670
338	Public Recreation Facilities G.O.	40,000	.....	40,000	7,820	32,180
339	Social & Health Services G.O.	25,000	.....	25,000	4,430	20,570
346	Outdoor Recreational Facilities G.O.	40,000	.....	40,000	19,860	20,140
351	Indian Cultural Center G.O. "Series AR"	1,000	.....	1,000	35	965
352	Fisheries Capital Projects G.O. "Series K"	5,133	.....	5,133	963	4,170
358	Emergency Water Projects G.O. "Series N"	18,000	.....	18,000	3,415	14,585
363	Salmon Enhancement G.O. "Series Q"	34,500	8,500	26,000	3,275	22,725
372	Pacific Northwest Festival Facility G.O.	5,000	5,000	.....	.....	.....
372	Water Supply Facilities G.O. "Series AF"	10,000	.....	10,000	665	9,335
372	Handicapped Facilities G.O. "Series AI"	25,000	.....	25,000	1,045	23,955
372	Outdoor Recreational Facilities G.O. "Series AD"	10,000	1,055	8,945	610	8,335
372	Jail Renovation G.O. "Series AB"	96,000	.....	96,000	4,545	91,455
372	Public Water Supply Facilities G.O. "Series AM"	125,000	95,000	30,000	635	29,365
372	Cultural Facilities G.O. "Series AH"	3,000	.....	3,000	140	2,860
372	Local Jail Improvement G.O. "Series AU"	144,300	38,300	106,000	1,210	104,790
372	Outdoor Recreation Projects G.O. "Series AG"	13,349	.....	13,349	319	13,030
372	Fisheries Facilities G.O. "Series AX"	1,165	.....	1,165	10	1,155
372	G.O. Refunding "Series 1985A"	110,785	.....	110,785	.....	110,785
372	G.O. Refunding "Series 1985A-Excluded"	26,115	.....	26,115	.....	26,115
372	Agricultural Trade Center G.O.	4,635	4,635	.....	.....	.....
372	Outdoor Recreation Projects	3,230	3,230	.....	.....	.....
373	Capital Renewal Projects	59,630	59,630	.....	.....	.....
	Total General	$ 1,569,441	$ 592,664	$ 976,777	$ 95,637	$ 881,140
	Total General Long-Term Obligations Account Group	$ 4,500,055	$ 1,542,176	$ 2,957,879	$ 559,829	$ 2,398,050

STATE OF WASHINGTON
Refunded and Defeased Long-Term Debt
As of June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Authorized	Authorized, Not Issued	Issued	Redeemed	Outstanding June 30, 1985
	State Agency Refunded Debt					
328	State Board for Community Colleges:					
	1969	$ 22,000	$	$ 22,000	$ 20,655	$ 1,345
	1971	21,000	.....	21,000	3,470	17,530
	1972, Series A	10,000	.....	10,000	2,315	7,685
	Series C	10,000	.....	10,000	2,165	7,835
	Total State Board for Community Colleges	$ 63,000	$	$ 63,000	$ 28,605	$ 34,395
341	Eastern Washington University:					
	1965, Series A	$ 2,955	$	$ 2,955	$ 1,440	$ 1,515
	1972, Series C	2,600	.....	2,600	930	1,670
	1973, Series D	1,111	.....	1,111	631	480
	1973, Series E	1,435	.....	1,435	1,435	.....
	Total Eastern Washington University	$ 8,101	$	$ 8,101	$ 4,436	$ 3,665
342	Central Washington University:					
	1966, Series A	$ 2,900	$	$ 2,900	$ 1,395	$ 1,505
	1971, Series B	3,000	.....	3,000	3,000	.....
	1973, Series C	3,025	.....	3,025	1,845	1,180
	Total Central Washington University	$ 8,925	$	$ 8,925	$ 6,240	$ 2,685
343	Western Washington University:					
	1965, Series A	$ 3,850	$	$ 3,850	$ 1,865	$ 1,985
	1968, Series B	1,250	.....	1,250	430	820
	1970, Series C	1,800	.....	1,800	1,800	.....
	1973, Series D	4,720	.....	4,720	1,340	3,380
	Total Western Washington University	$ 11,620	$	$ 11,620	$ 5,435	$ 6,185
344	The Evergreen State College:					
	1974, Series B	$ 615	$	$ 615	$ 615	$ .....
	1975, Series C	1,032	.....	1,032	.....	1,032
	Total The Evergreen State College	$ 1,647	$	$ 1,647	$ 615	$ 1,032
347	Washington State University:					
	1963, Series A	$ 4,580	$	$ 4,580	$ 2,610	$ 1,970
	1966	2,875	.....	2,875	1,420	1,455
	1969, Series A	2,890	.....	2,890	898	1,992
	Series B	2,855	.....	2,855	1,345	1,510
	1972, Series A	5,500	.....	5,500	1,345	4,155
	1974	750	.....	750	250	500
	Total Washington State University	$ 19,450	$	$ 19,450	$ 7,868	$ 11,582

STATE OF WASHINGTON
Refunded and Defeased Long-Term Debt—Continued
As of June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Authorized	Authorized, Not Issued	Issued	Redeemed	Outstanding June 30, 1985
348	University of Washington:					
	1959, Series B	$ 2,750	$	$ 2,750	$ 1,915	$ 835
	1960, Series C	2,000		2,000	1,375	625
	1961, Series D	3,000		3,000	1,915	1,085
	1962, Series E	3,000		3,000	1,915	1,085
	1964, Series F	1,500		1,500	830	670
	1965, Series G	5,250		5,250	2,850	2,400
	1967, Series H	3,200		3,200	1,570	1,630
	Series I	1,800		1,800	820	980
	1969, Series J	4,000		4,000	1,175	2,825
	Total University of Washington	$ 26,500	$	$ 26,500	$ 14,365	$ 12,135
	Total State Agency Refunded Bonds	$ 139,243	$	$ 139,243	$ 67,564	$ 71,679
	Defeased State Debt:					
303	I-90 Highway Projects "Series CC-1"	$ 5,000	$	$ 5,000	$ 290	$ 4,710
304	Ferry System Vessels "Series B-3"	20,000		20,000	1,160	18,840
336	Waste Disposal Facilities "Series I & L"	25,000		25,000	1,440	23,560
336	Waste Disposal Facilities "Series AJ-2"	5,000		5,000	290	4,710
345	Outdoor Recreation Facilities, 1963	10,000		10,000	8,835	1,165
349	Community College Projects "Series AK-1"	4,000		4,000	230	3,770
349	Comm. Coll. Cap. Construction "Series X-2"	8,660		8,660	500	8,160
365	Higher Education Facilities "Series W-2"	10,000		10,000	575	9,425
372	Social & Health Services "Series AA-2 & AA-5"	42,000		42,000	2,425	39,575
372	State Office Buildings "Series Z-2"	7,435		7,435	430	7,005
372	Jail Renovation "Series AB-4"	10,000		10,000	575	9,425
372	Common School Building "Series AC-1"	6,700		6,700	385	6,315
	Total State Defeased Debt	$ 153,795	$	$ 153,795	$ 17,135	$ 136,660
	Total Retained in Escrow	$ 293,038	$	$ 293,038	$ 84,699	$ 208,339

Source: Washington State Office of State Treasurer

STATE OF WASHINGTON
Debt Service to Maturity
General Long-Term Obligations Account Group
As of June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Principal	Interest	Total
	School Building Construction:			
	Limited Obligation Bonds			
311	Public School Building Revenue	$ 16,340	$ 10,572	$ 26,912
311	Public School Building Revenue	16,835	10,333	27,168
	General Obligation Bonds			
321	Public School Plant Facilities G.O.	3,425	285	3,710
372	Common School Building, "Series AC"	14,540	14,139	28,679
	Total School Building Construction	$ 51,140	$ 35,329	$ 86,469
	Institutional and Public Buildings			
307	Higher Education & Institutional Building G.O.	$ 3,015	$ 201	$ 3,216
314	State Building & Higher Education G.O.	26,415	4,112	30,527
324	Higher Education G.O. "Series C"	23,930	13,513	37,443
327	State Building G.O. "Series A"	55,125	29,647	84,772
329	Community College G.O. "Series B" Refunding	48,860	27,464	76,324
329	Community College G.O. "Series A" Refunding	4,560	2,269	6,829
330	University of Washington Hospital G.O. "Series M"	6,535	3,612	10,147
331	Community College Capital Projects G.O.	39,580	21,738	61,318
332	Washington State Univ. Office-Lab. G.O. "Series T"	1,245	523	1,768
334	Higher Education G.O. "Series E"	5,930	3,011	8,941
349	Community College Projects G.O. "Series AK"	3,055	4,524	7,579
349	Community College Capital Projects G.O. "Series G"	11,755	6,781	18,536
349	Community College Capital Construction G.O. "Series X"	13,510	11,628	25,138
349	Community College Capital Projects G.O. "Series R"	5,805	3,502	9,307
349	Community College Capital Projects G.O. "Series F"	6,885	3,648	10,533
349	Community College Capital Projects G.O. "Series L"	21,485	11,661	33,146
353	Higher Education G.O. "Series H"	12,115	6,611	18,726
356	Social & Health Services G.O. "Series I"	35,020	21,591	56,611
356	Social & Health Services G.O. "Series U"	18,175	14,696	32,871
360	Higher Education G.O. "Series AW"	11,205	19,817	31,022
360	Higher Education G.O. "Series S"	8,045	5,176	13,221
360	Higher Education G.O. "Series AP"	7,595	11,860	19,455
360	Higher Education G.O. "Series V"	11,975	12,355	24,330
365	Higher Education Facilities G.O. "Series W"	32,055	32,591	64,646
365	Higher Education Construction G.O. "Series AQ-B"	50,620	84,392	135,012
365	Higher Education G.O. "Series AQ-A"	26,055	42,166	68,221
368	Washington State Univ. Capital Projects G.O. "Series O"	3,215	1,802	5,017
369	Fire Service Training Center G.O. "Series AS"	5,755	6,763	12,518
369	Fire Service Training Center G.O. "Series AE"	910	884	1,794
370	Higher Education G.O. "Series C" Refunding	35,165	12,402	47,567
372	Social and Health Services G.O. "Series AL"	136,490	213,997	350,487
372	Social and Health Services G.O. "Series AA"	55,645	62,125	117,770
	Total Institutional and Public Building	$ 727,730	$ 697,062	$ 1,424,792
	Highway:			
	Limited Obligation Bonds			
303	Highway Construction Revenue	$ 13,345	$ 2,312	$ 15,657
303	Columbia Basin Revenue	825	143	968
303	State Urban Areas Revenue	102,845	36,694	139,539
303	Ferry Revenue	750	13	763
303	County-City Urban Arterials Revenue	63,375	21,421	84,796
303	Highway Building Site and Construction Revenue	1,775	307	2,082

STATE OF WASHINGTON
Debt Service to Maturity—Continued
General Long-Term Obligations Account Group
As of June 30, 1985
(Expressed in Thousands)

Account No.	Bond Issue Name	Principal	Interest	Total
	General Obligation Bonds			
303	Highway Projects G.O. "Series DD"	152,475	213,885	366,360
303	County-City Urban Arterials As Amended G.O.	71,275	44,201	115,476
303	County-City Urban Arterials G.O.	10,000	18,393	28,393
303	I-90 Highway Projects G.O. "Series CC"	14,000	25,767	39,767
303	St. Urban Areas As Amended—G.O. "Series AA-1" Rev.	28,345	15,174	43,519
303	County-City Urban Arterials G.O. "Series II"	54,415	52,759	107,174
303	G.O. Refunding "Series 1984B-CC1	5,465	5,932	11,397
304	G.O. Refunding "Series 1984B-B3	21,855	23,724	45,579
304	Ferry System Vessels G.O. "Series B"	88,865	103,661	192,526
	Total Highway	$ 629,610	$ 564,386	$ 1,193,996
	Administrative Building:			
	Limited Obligation Bonds			
301	General Administration Construction Revenue	$ 550	$ 29	$ 579
313	East Capitol Site Revenue	3,040	1,865	4,905
316	State Capitol Construction Revenue	11,400	6,997	18,397
	General Obligation Bonds			
323	Office Building G.O. "Series B"	20,990	11,214	32,204
354	Capitol Campus Facilities G.O. "Series J"	5,590	5,470	11,060
372	Office Building G.O. "Series Z"	4,615	3,750	8,365
372	State Office & Facilities G.O. "Series AO"	11,600	18,649	30,249
372	State Buildings G.O. "Series AV"	50,645	87,849	138,494
	Total Administrative Building	$ 108,430	$ 135,823	$ 244,253
	General: General Obligation Bonds			
306	Fisheries Capital Projects G.O. "Series P"	$ 4,120	$ 2,511	$ 6,631
306	Fisheries Capital Projects G.O. "Series AN"	6,010	8,900	14,910
306	Fisheries Facilities G.O. "Series Y"	4,890	7,098	11,988
312	Water Pollution Control Facilities G.O.	12,385	2,300	14,685
322	Expo '74 Pavilion G.O. "Series D"	2,300	1,272	3,572
336	Waste Disposal Facilities G.O.	139,155	144,781	283,936
336	Waste Disposal Facilities G.O. "Series AJ"	113,095	188,822	301,917
337	Water Supply Facilities G.O.	62,670	41,476	104,146
338	Public Recreation Facilities G.O.	32,180	18,001	50,181
339	Social & Health Services G.O.	20,570	11,641	32,211
346	Outdoor Recreational Facilities G.O.	20,140	4,287	24,427
351	Indian Cultural Center G.O. "Series AR"	965	1,135	2,100
352	Fisheries Capital Projects G.O. "Series K"	4,170	2,301	6,471
358	Emergency Water Projects G.O. "Series N"	14,585	7,809	22,394
363	Salmon Enhancement G.O. "Series Q"	22,725	16,211	38,936
372	Water Supply Facilities G.O. "Series AF"	9,335	12,858	22,193
372	Handicapped Facilities G.O. "Series AI"	23,955	35,314	59,269
372	Outdoor Recreational Facilities G.O. "Series AD"	8,335	9,970	18,305
372	Jail Renovation G.O. "Series AB"	91,455	102,541	193,996
372	Public Water Supply Facilities G.O. "Series AM"	29,365	48,502	77,867
372	Cultural Facilities G.O. "Series AH"	2,860	3,303	6,163
372	Local Jail Improvement G.O. "Series AU"	104,790	174,304	279,094
372	Outdoor Recreation Projects G.O. "Series AG"	13,030	20,728	33,758
372	Fisheries Facilities G.O. "Series AX"	1,155	1,942	3,097
372	G.O. Refunding "Series 1985A"	110,785	104,126	214,911
372	G.O. Refunding "Series 1985A-Excluded"	26,115	24,551	50,666
	Total General	$ 881,140	$ 996,684	$ 1,877,824
	Total General Long-Term Obligations Account Group	$ 2,398,050	$ 2,429,284	$ 4,827,334

Source: Washington State Office of State Treasurer.

STATE OF WASHINGTON
Detail of Bond Sale Proceeds
For the Fiscal Year Ended June 30, 1985
(Expressed in Thousands)

	Special Revenue Fund Type	Bond Type	Amount
01C	Local Jail Improvements & Construction Account ...	Capital-Jail Construction	$ 13,000
051	State & Local Improvements Revolving Account	Capital-Waste Disposal Facilities	10,000
055	State & Local Improvements Revolving Acct., 1980 .	Capital-Waste Disposal Facilities	40,000
070	Outdoor Recreation Account.....	Capital-Recreation Project	2,145
108	Motor Vehicle Fund.....	Capital-State Highway Construction	25,000
112	Urban Arterial Trust Account	Capital-Road Construction (City & County)	10,000
	Total Special Revenue Fund Type		$ 100,145
	Debt Service Fund Type		
303	Highway Bond Retirement Account	Refunding of Bonds	$ 5,887
304	Ferry Bond Retirement Account	Refunding of Bonds	21,721
336	Waste Disposal Facilities Bond Redemption Acct. ...	Refunding of Bonds	33,881
349	Comm. Coll. Capital Const. Bond Ret. Acct., 1975..	Refunding of Bonds	14,298
365	Higher Education Bond Retirement Account, 1979 ..	Refunding of Bonds	11,296
372	State General Oblig. Bond Retirement Acct., 1979 ..	Refunding of Bonds	74,688
	Total Debt Service Fund Type		$ 161,771
	Capital Projects Fund Type		
01L	Higher Education Construction Account.....	Capital-Higher Education.....	$ 19,500
056	State Higher Education Construction Account	Capital-Higher Education.....	6,250
057	State Building Construction Account.....	Capital-Capital Facilities Improvements.....	15,000
075	State Social & Health Services Const. Acct.	Capital-DSHS Facilities.....	20,000
078	Fisheries Capital Projects Account.....	Capital-Fisheries Facilities	3,045
	Total Capital Projects Fund Type.....		$ 63,795
	TOTAL ALL FUND TYPES.....		$ 325,711

Source: Washington State Office of State Treasurer

STATISTICAL SECTION

STATE OF WASHINGTON
Revenues by Source, All Funds
Fiscal Years 1976 thru 1985
(Dollars in Millions)

SOURCE	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Taxes:										
Retail Sales Tax	$ 722.1	$ 814.3	$ 992.4	$ 1,109.7	$ 1,113.1	$ 1,163.4	$ 1,376.3	$ 1,655.1	$ 1,970.7	$ 2,010.0
Business and Occupation Tax	228.0	257.1	306.6	381.6	396.6	448.6	522.8	576.7	678.0	731.5
Compensating Tax	62.8	70.8	76.4	95.3	94.5	97.8	106.3	120.3	148.9	178.2
Fuel Tax	167.3	188.6	232.6	248.8	254.6	246.8	259.9	240.7	339.8	371.7
Alcoholic Beverages Tax	52.8	59.5	61.8	65.4	89.3	92.5	100.1	105.5	104.3	103.1
Tobacco Tax	51.0	57.5	59.9	69.6	65.0	80.3	94.2	104.5	99.0	97.4
Insurance Premium Tax	25.4	28.7	34.5	41.6	43.7	60.9	47.2	52.0	54.8	63.1
Utility Tax	61.2	69.1	78.2	80.4	106.0	107.5	139.5	164.5	129.6	151.6
Property Tax	185.2	208.9	234.9	278.3	322.9	354.9	397.9	447.9	472.3	503.1
Excise Tax	84.9	95.7	114.2	153.7	148.6	171.7	215.8	260.1	318.3	330.4
Gift and Inheritance Tax	40.2	45.4	45.5	51.6	54.6	54.3	56.2	28.1	20.2	20.4
Other Taxes, Less Tax Credits	48.2	54.2	54.3	62.7	78.6	87.5	19.5	32.8	4.6	72.5
Total Taxes	$ 1,729.1	$ 1,949.8	$ 2,291.3	$ 2,638.7	$ 2,767.5	$ 2,966.2	$ 3,335.7	$ 3,788.2	$ 4,340.5	$ 4,633.0
Licenses, Permits, Fees	$ 103.5	$ 116.8	$ 128.1	$ 135.2	$ 152.2	$ 156.2	$ 189.3	$ 216.4	$ 220.3	$ 229.2
Federal Grant-In-Aid	771.6	870.1	842.8	1,076.0	1,136.2	1,590.5	1,309.7	1,586.4	1,544.7	1,795.7
Charges & Miscellaneous Revenue	323.4	364.6	406.0	385.8	382.2	579.8	612.5	1,393.7	1,420.4	1,571.1
Earnings on Investments	49.6	55.9	73.5	82.9	446.7	539.7	686.5	533.0	577.6	692.2
Pension Contributions	.....	.....	.....	.....	472.3	554.1	479.4	696.2	700.8	708.0
Workmen's Comp. Contributions	.....	.....	.....	.....	440.4	360.4	407.8	366.4	532.0	640.1
Unemployment Comp. Contributions	.....	.....	.....	.....	351.7	361.2	381.7	603.1	415.3	450.0
Liquor Revenue	57.1	64.4	67.4	71.7	241.9	263.9	236.9	240.4	231.3	215.2
Bond Sale Proceeds	128.6	145.1	37.0	128.8	144.4	239.1	391.1	237.1	439.1	325.7
Total Revenue	$ 3,162.9	$ 3,566.7	$ 3,846.1	$ 4,519.1	$ 6,535.5	$ 7,611.1	$ 8,030.6	$ 9,660.9	$ 10,422.0	$ 11,260.2

Note: Data for FY 1976 to FY 1979 is for "All Budgeted Funds" per State of Washington Central Accounting System, Non-GAAP Budgetary Basis.
Data for FY 1980 to FY 1985 is for "All Funds" per State of Washington Annual Financial Reporting System, GAAP Basis.
Revenues for Pension Contributions, Workmen's Compensation Contributions, and Unemployment Compensation Contributions are non-budgeted and therefore not included through FY 1979.

STATE OF WASHINGTON
Expenditures/Expenses by Function/Object, All Funds
Fiscal Years 1976 thru 1985
(Dollars in Millions)

FUNCTION	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
General Government										
Legislative	$ 10.4	$ 15.3	$ 11.2	$ 18.0	$ 17.6	$ 21.9	$ 21.2	$ 23.9	$ 27.1	$ 31.9
Judicial	5.9	6.4	8.4	8.9	11.7	14.1	17.9	18.6	20.3	26.8
Executive	48.8	53.9	55.1	61.4	116.1	146.0	176.8	154.8	162.6	171.8
Bond Retirement and Interest	96.8	109.1	110.9	116.1	120.9	127.6	157.4	194.3	234.5	439.2
Payments to Political Subdivisions	141.8	177.5	212.3	229.4	249.4	251.2	257.4	245.5	269.7	286.5
Pension Benefit Payments	.....	.....	.....	.....	277.2	309.7	368.3	457.0	461.5	461.0
All Other General Government	135.8	100.1	193.7	196.6	540.7	525.9	224.0	578.2	667.3	634.6
Total General Government	439.5	462.3	591.6	630.4	1,333.6	1,396.4	1,223.0	1,672.3	1,843.0	2,051.8
Human Resources										
Social and Health Services	643.9	724.7	836.1	870.7	1,103.2	1,283.6	1,233.9	1,300.8	1,503.1	1,655.8
Workmen's Compensation	.....	.....	.....	.....	229.5	272.1	502.4	637.2	664.6	849.2
Unemployment Compensation	.....	.....	.....	.....	312.8	486.7	517.6	840.2	591.6	469.7
All Other Human Resources	168.4	191.3	224.7	284.7	227.0	316.3	388.3	473.8	525.3	683.2
Total Human Resources	812.3	916.0	1,060.8	1,155.4	1,872.5	2,358.7	2,642.2	3,252.0	3,284.6	3,657.9
Natural Resources	136.4	153.8	148.1	181.5	186.2	215.3	228.3	241.5	272.0	292.6
Transportation	290.6	327.7	336.2	507.4	651.3	745.4	734.8	793.0	729.3	943.5
Education										
Four-Year Colleges and Universities	427.3	481.9	498.5	558.4	715.7	932.4	903.7	979.5	1,030.0	1,140.2
Public Schools	743.4	838.2	889.9	1,108.8	1,328.3	1,601.9	1,880.4	1,889.2	1,876.8	2,018.7
Community Colleges	159.9	180.3	172.5	189.5	256.6	272.6	274.3	277.9	301.6	337.1
All Other Education	13.9	49.1	20.2	31.1	25.8	36.7	31.4	37.8	48.1	49.1
Total Education	1,344.5	1,549.5	1,581.1	1,887.8	2,326.4	2,843.6	3,089.8	3,184.4	3,256.5	3,545.1
Total by Function	$ 3,023.3	$ 3,409.3	$ 3,717.8	$ 4,362.5	$ 6,370.0	$ 7,559.4	$ 7,918.1	$ 9,143.2	$ 9,385.4	$ 10,490.9
OBJECT										
Salaries and Wages	$ 694.2	$ 782.8	$ 890.3	$ 973.4	$ 1,171.8	$ 1,230.0	$ 1,354.3	$ 1,377.8	$ 1,519.7	$ 1,639.0
Personal Service Contracts	15.0	16.9	13.2	21.7	24.3	34.2	29.6	44.0	55.7	80.5
Goods and Services	270.1	304.5	466.5	664.4	1,145.3	1,295.9	939.5	988.8	1,016.2	1,106.0
Travel	21.4	24.1	26.0	32.0	38.5	43.5	38.4	40.9	47.0	51.4
Employer Benefits	108.6	122.5	154.2	181.1	216.1	266.5	277.0	302.2	231.0	366.8
Grants and Subsidies	1,539.6	1,736.1	1,968.0	2,288.9	2,737.4	3,115.3	3,101.7	3,573.6	3,859.2	4,227.8
Pension Benefit Payments	.....	.....	.....	.....	277.2	309.7	368.3	457.0	461.5	461.0
Workmen's Comp. Payments	.....	.....	.....	.....	229.5	272.1	502.4	637.2	664.6	849.2
Unemployment Comp. Payments	.....	.....	.....	.....	312.8	486.7	517.6	840.2	591.6	469.7
Debt Service	96.8	109.1	110.9	116.1	130.9	137.9	176.4	196.7	250.4	442.1
Capital Outlay	346.7	391.0	179.9	275.5	248.2	450.9	553.1	618.4	492.0	681.6
Other Charges, Credits	(69.1)	(77.7)	(91.2)	(190.6)	(162.0)	(83.3)	59.8	66.4	96.5	115.8
Total by Object	$ 3,023.3	$ 3,409.3	$ 3,717.8	$ 4,362.5	$ 6,370.0	$ 7,559.4	$ 7,918.1	$ 9,143.2	$ 9,385.4	$ 10,490.9

Note: Data for FY 1976 to FY 1979 is for "All Budgeted Funds" per State of Washington Central Accounting System, Non-GAAP Budgetary Basis.
Data for FY 1980 to FY 1985 is for "All Funds" per State of Washington Annual Financial Reporting System, GAAP Basis.
Expenditures for Pension Benefits, Workmen's Compensation, and Unemployment Compensation are non-budgeted and therefore not included through FY 1979.

STATE OF WASHINGTON
Revenues by Source, General Fund
Fiscal Years 1976 thru 1985
(Dollars in Millions)

Function	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Taxes:										
Retail Sales Tax	$ 695.6	$ 795.9	$ 958.0	$ 1,074.3	$ 1,074.6	$ 1,125.5	$ 1,341.4	$ 1,610.7	$ 1,927.9	$ 1,968.8
Business & Occupation Tax	228.0	257.1	306.6	381.6	396.6	448.6	522.8	576.7	678.0	731.5
Compensating Tax	62.8	70.8	76.4	95.3	94.5	97.8	106.3	120.3	148.9	178.2
Alcoholic Beverages Tax	48.2	49.9	53.9	56.9	55.1	67.1	70.8	76.6	75.7	73.2
Tobacco Tax	48.0	55.9	57.6	67.3	62.6	80.3	94.2	104.4	99.0	97.4
Insurance Premiums Tax	24.3	29.8	34.5	41.6	42.1	59.2	45.4	52.0	54.8	63.1
Utility Tax	61.2	69.1	78.2	80.4	106.0	107.5	139.5	164.5	129.6	151.6
Property Tax	185.2	208.9	234.9	278.3	322.9	354.9	397.9	447.9	472.3	503.1
Excise Tax	77.5	91.4	103.4	134.3	129.7	149.1	193.5	233.2	248.9	277.3
Gift and Inheritance Tax	40.2	45.4	45.5	51.6	54.6	54.3	56.2	28.1	20.2	20.4
Other Taxes, Less Credits	13.0	29.6	19.6	24.2	24.9	29.7	19.9	32.7	1.2	71.0
Total Taxes	$ 1,484.0	$ 1,703.8	$ 1,968.6	$ 2,285.8	$ 2,363.6	$ 2,574.0	$ 2,987.9	$ 3,447.1	$ 3,856.5	$ 4,135.6
Licenses, Permits, Fees	$ 7.3	$ 15.9	$ 14.9	$ 16.2	$ 18.9	$ 22.6	$ 30.0	$ 34.2	$ 36.3	$ 37.9
Federal Grant-in-Aid	479.8	500.5	478.5	611.4	613.3	893.6	758.4	761.9	832.0	1,005.1
Charges & Miscellaneous Revenue	50.4	52.4	121.5	88.1	146.4	156.1	184.5	222.8	248.7	259.7
Earnings on Investments	1.7	.9	8.7	21.7	29.5	.3	28.4	26.3	31.5	32.2
Bond Sale Proceeds	.....	.....	.....	.....	.....	.....	.....	103.1	.....	.....
Total Revenue	$ 2,023.2	$ 2,273.5	$ 2,592.2	$ 3,023.2	$ 3,171.7	$ 3,646.6	$ 3,989.2	$ 4,595.4	$ 5,005.0	$ 5,470.5

Note: Date for FY 1976 to FY 1981 is per State of Washington Central Accounting System, Non-GAAP Budgetary Basis.

Date for FY 1982 to FY 1985 is per State of Washington Annual Financial Reporting System, GAAP Basis.

STATE OF WASHINGTON
Expenditures/Expenses by Function/Object, General Fund
Fiscal Years 1976 thru 1985
(Dollars in Millions)

Function	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
General Government	$ 112.5	$ 181.8	$ 260.3	$ 278.8	$ 360.2	$ 362.5	$ 231.4	$ 422.6	$ 538.0	$ 519.4
Human Resources	771.2	813.5	968.4	1,007.8	1,247.6	1,435.6	1,418.1	1,602.6	1,762.1	1,952.4
Natural Resources	43.9	50.0	55.5	65.4	71.8	81.7	169.7	169.9	123.1	144.8
Transportation	5.3	6.2	7.6	8.9	10.0	15.5	17.3	17.9	16.5	21.8
Education	1,107.8	1,107.7	1,245.4	1,474.2	1,755.0	1,928.2	2,337.6	2,378.3	2,512.8	2,671.5
Total by Function	$ 2,040.7	$ 2,159.2	$ 2,537.2	$ 2,835.1	$ 3,444.6	$ 3,823.5	$ 4,174.1	$ 4,591.3	$ 4,952.5	$ 5,309.9
Object										
Salaries and Wages	$ 470.0	$ 500.2	$ 567.7	$ 615.1	$ 708.4	$ 743.5	$ 796.2	$ 803.3	$ 903.2	$ 959.2
Personal Service Contracts	12.7	12.5	7.9	11.3	11.6	15.7	15.7	16.8	15.9	20.3
Goods and Services	125.0	131.2	155.0	193.7	199.6	220.9	242.6	257.0	317.8	331.1
Travel	7.7	9.1	10.0	12.6	13.7	13.8	11.9	12.9	17.9	19.5
Employer Benefits	69.7	73.1	90.6	105.6	121.2	136.0	146.7	171.2	198.2	220.1
Grants and Subsidies	1,385.3	1,466.4	1,735.6	1,982.6	2,426.7	2,756.1	2,937.0	3,281.8	3,443.7	3,690.3
Debit Services	.....	.....	.....	.....	.....	.....	18.0	.7	13.4	6.0
Capital Outlay	22.5	18.5	24.7	35.4	23.6	26.2	31.3	45.0	41.7	55.0
Other Charges, Credits	(52.2)	(51.8)	(54.3)	(121.2)	(60.2)	(88.7)	(25.3)	2.6	.7	8.4
Total by Object	$ 2,040.7	$ 2,159.2	$ 2,537.2	$ 2,835.1	$ 3,444.6	$ 3,823.5	$ 4,174.1	$ 4,591.3	$ 4,952.5	$ 5,309.9

Note: Date for FY 1976 to FY 1981 is per State of Washington Central Accounting System, Non-GAAP Budgetary Basis.

Date for FY 1982 to FY 1985 is per State of Washington Annual Financial Reporting System, GAAP Basis.

STATE OF WASHINGTON
Full-Time Equivalent Staff Comparison[1]
Allotted Funds
Fiscal Years 1976 thru 1985

Fiscal Year	Total State	Special Employment Programs	Total Regular	General Government	Human Resources	Natural Resources & Recreation	Transportation	Education
1976	60,449	1,204	59,245	4,729	16,655	4,059	7,599	26,203
1977	62,240	1,624	60,616	4,859	17,442	4,208	7,745	26,362
1978	62,556	1,867	60,689	4,741	17,115	4,197	7,675	26,961
1979	65,080	1,533	63,547	5,272	17,508	4,427	7,948	28,392
1980	66,826	1,481	65,345	5,443	18,330	4,486	8,128	28,958
1981	68,128	1,553	66,575	5,685	18,838	4,589	7,926	29,537
1982	64,716	446	64,270	5,458	18,772	4,220	7,722	28,098
1983	64,211	352	63,859	5,568	19,147	4,058	7,640	27,446
1984	66,724	310	66,414	5,646	20,496	4,330	7,951	27,991
1985	68,979	331	68,648	5,825	21,126	4,657	8,489	28,551

[1] One full calendar year of paid employment, or the equivalent of 2,088 hours (the number of available work-hours in a year). It is not the number of employees on the payroll, nor is it the number of positions in state government. It is a computed average number of state employees based upon cumulative FTE staff months during one fiscal year or cumulative hours paid during one fiscal year.

The full-time equivalent staff years can be computed two ways:

1. By accumulating all full-time equivalent staff months for a full year and dividing by twelve (12).
2. By accumulating all paid hours for one full year and dividing by 2,088 (the available work-hours in a year).

STATE OF WASHINGTON
Full-Time Equivalent Staff Comparison
General Fund — State
Fiscal Years 1978 thru 1985

Fiscal Year	Total General Fund—State	General Government	Human Resources	Natural Resources & Recreation	Transportation	Education
1978	30,858	2,088	9,114	1,876	226	17,554
1979	31,954	2,477	9,183	1,748	243	18,303
1980	33,960	2,452	9,894	2,133	286	19,195
1981	32,276	2,534	9,572	1,979	297	17,894
1982	31,432	2,329	10,002	1,816	301	16,984
1983	30,654	2,322	10,308	1,561	333	16,130
1984	33,745	2,272	11,743	1,762	296	17,672
1985	34,596	2,397	12,250	1,988	297	17,664

Source: Washington State Office of Financial Management.

Note: These FTE's were funded by General Fund — State, and do not include FTE's funded by General Fund — Federal or General Fund — Private/Local. General Fund — State FTE data is not available for years prior to FY 1978.

STATE OF WASHINGTON
Total Resident Population and Components of Change
Years 1976 thru 1985
(Figures in Thousands)

Year[2]	Population	Population Change Number	Population Change Percent	Births[3] Number	Deaths[3] Number	Net Migration[3] Number
1976	3,634.9	67.0	1.9	51.4	30.2	45.8
1977	3,715.4	80.5	2.2	54.2	29.1	55.4
1978	3,836.2	120.8	3.3	57.3	30.4	94.0
1979	3,979.2	143.0	3.7	60.2	30.2	113.0
1980	4,132.2	153.0	3.8	65.4	31.3	119.0
1981[1]	4,226.6	94.4	2.3	68.2	31.8	58.1
1982	4,264.0	37.4	0.9	70.1	31.7	– 0.9
1983	4,285.1	21.1	0.5	69.5	32.5	– 15.8
1984	4,328.1	43.0	1.0	68.7[4]	32.9[4]	7.2
1985	4,384.1	56.0	1.3	68.6[4]	33.9[4]	21.3

[1] The 1981 estimate for the State was recalculated using 1980 population counts by age which were not available in the spring of 1981.

[2] Year figures are April to April.

[3] Population on April 1 of each year.

[4] Estimated Data.

Source: Washington State Office of Financial Management.
1985 Population Trends for Washington State; August 1985.

STATE OF WASHINGTON
Employment Comparison
Washington vs. United States
Calendar Years 1975 thru 1984
(In Thousands)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Total Civilian Labor Force										
Washington State	1,538.0	1,622.3	1,692.2	1,809.3	1,937.2	1,986.2	1,995.9	2,023.8	2,068.8	2,053.0
Percent Change	1.8	5.5	4.3	6.9	7.1	2.5	0.5	1.4	1.9	(0.8)
United States	93,770.0	96,151.0	98,984.0	102,233.0	104,961.0	106,973.0	108,671.0	110,238.0	111,512.0	113,562.0
Percent Change	2.0	2.5	2.9	3.3	2.7	1.9	1.6	1.4	1.2	1.8
Total Civilian Employment										
Washington State	1,391.0	1,482.1	1,544.1	1,685.2	1,806.1	1,829.4	1,806.1	1,778.9	1,837.5	1,858.9
Percent Change	(0.8)	6.5	4.2	9.1	7.2	1.3	(1.3)	(1.5)	3.3	1.2
United States	85,830.0	88,753.0	92,017.0	96,046.0	98,825.0	99,303.0	100,396.0	99,526.0	100,821.0	105,003.0
Percent Change	(1.1)	3.4	3.7	4.4	2.9	0.5	1.1	(0.9)	1.3	4.1

Sources: Washington State Department of Employment Security.
U.S. Department of Labor, Bureau of Labor Statistics.
Washington State Department of Revenue.

STATE OF WASHINGTON
Labor Force and Employment by Sector
Calendar Years 1975 thru 1984
(In Thousands)

Resident Civilian Labor Force and Employment in Washington State[1]	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Resident Civilian Labor Force	1,538.0	1,622.3	1,692.2	1,809.3	1,937.2	1.986.2	1,995.9	2,023.8	2,068.8	2,053.0
Unemployment	147.0	140.2	148.1	124.1	131.1	156.8	189.8	244.9	231.3	194.1
Percentage Rate	9.6	8.6	8.8	6.9	6.8	7.9	9.5	12.1	11.2	9.5
Total Employment	1,391.0	1,482.1	1,544.1	1,685.2	1,806.1	1,829.4	1,806.1	1,778.9	1,837.5	1,858.9
Non-Agricultural Wage and Salary Workers Employed in Washington State										
Wages and Salary	1,225.5	1,282.9	1,366.8	1,485.5	1,581.1	1,609.0	1,612.0	1,568.8	1,585.0	1,640.5
Manufacturing	244.0	247.4	260.1	284.7	309.7	308.8	303.3	290.0	278.2	284.9
Food Processing	29.0	30.4	31.6	32.8	32.9	32.0	31.7	31.8	31.1	30.5
Lumber and Wood	47.1	50.9	54.0	55.1	53.9	47.0	44.4	39.4	42.0	40.7
Paper and Allied Products	16.5	17.4	17.6	14.0	15.9	17.6	17.2	16.1	15.8	16.1
Chemicals and Petroleum	6.3	6.5	7.3	7.9	8.6	8.7	9.2	9.5	10.1	10.5
Metals and Machinery	43.2	42.6	44.1	48.9	54.0	54.6	53.5	50.8	47.4	50.7
Aerospace	50.3	45.0	46.1	59.8	72.6	79.6	79.0	74.9	64.9	66.7
Other Transportation Equipment	13.8	14.3	16.6	20.0	21.0	18.7	18.4	17.2	15.2	15.5
Other Manufacturing	37.8	40.3	42.8	46.2	50.8	50.6	49.9	50.3	51.7	54.2
Non-Manufacturing	981.5	1,035.5	1,106.8	1,200.8	1,271.4	1,300.2	1,308.8	1,278.8	1,306.7	1,355.5
Construction	59.5	66.9	77.5	92.6	104.2	92.9	90.4	76.4	73.6	76.6
Transp., Comm. and Utilities	72.5	75.3	78.8	83.8	89.4	91.4	90.1	89.0	87.7	90.1
Trade	285.6	306.8	329.0	357.8	379.2	381.4	388.3	385.4	392.3	403.1
Finance, Insurance and Real Estate	65.0	68.2	75.0	83.3	89.4	91.8	92.3	90.7	92.0	94.5
[2]Services and Miscellaneous	218.6	233.5	251.6	275.2	293.8	311.7	321.4	319.9	334.4	352.2
State and Local Government	219.6	223.8	232.9	244.5	250.7	263.0	259.9	252.2	259.5	270.0
Federal Civilian Government	60.8	61.0	61.9	63.6	64.7	67.9	66.5	66.3	67.6	69.0

Figures May Not Total Due to Rounding

[1] Average of Monthly Data

[2] Includes Mining and Quarrying

Source: Washington State Department of Revenue

STATE OF WASHINGTON
Average Annual Wage Rates
Calendar Years 1975 thru 1984
(In Dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Construction	$ 14,360	$ 15,283	$ 16,062	$ 17,449	$ 19,281	$ 21,359	$ 23,746	$ 24,384	$ 22,673	$ 20,844
Finance, Insurance, Real Estate	9,660	10,526	11,441	12,719	13,885	15,126	16,543	18,103	19,101	19,432
Federal Government	14,431	15,212	16,440	17,441	18,869	19,667	21,212	22,769	24,241	24,311
State and Local Government	9,840	10,556	11,023	11,781	13,056	14,176	15,683	16,649	17,253	17,567
Mining	14,488	15,515	16,927	18,564	20,788	21,969	23,867	25,137	25,299	27,636
Transportation, Communication and Utilities	13,958	15,298	16,378	17,954	19,404	20,985	23,121	24,645	26,235	26,877
Services	8,262	9,004	9,751	10,536	11,584	12,757	13,974	14,131	14,391	14,232
Retail Trade	7,090	7,558	8,005	8,524	9,117	9,708	10,365	10,785	11,161	10,886
Wholesale Trade	12,595	13,377	14,361	15,517	17,055	18,803	20,309	20,832	21,316	21,561

Source: Washington State Department of Revenue

STATE OF WASHINGTON
Personal Income Comparison
Washington vs. United States
Calendar Years 1975 thru 1984
(Dollars In Billions)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Current Dollars										
Washington										
Amount	22.484	25.174	28.032	32.913	37.878	42.510	47.600	49.952	52.301	55.275
Percent Change	12.6	12.0	11.4	17.4	15.1	12.2	12.0	4.9	4.7	5.7
U.S.										
Amount	1,264.975	1,391.275	1,540.475	1,732.650	1,951.175	2,165.300	2,429.425	2,584.600	2,744.300	3,012.100
Percent Change	8.2	10.0	10.7	12.5	12.6	11.0	12.2	6.4	6.2	9.8
1972 Constant Dollars[1]										
Washington										
Amount	17.951	19.115	20.120	22.086	23.317	23.748	24.470	24.243	24.488	25.082
Percent Change	4.7	6.5	5.3	9.8	5.6	1.9	3.0	(0.9)	1.0	2.4
U.S.										
Amount	1,009.960	1,056.397	1,105.670	1,162.657	1,201.093	1,209.665	1,248.901	1,254.356	1,284.900	1,366.800
Percent Change	0.6	4.6	4.7	5.2	3.3	0.7	3.2	0.4	2.4	6.4

[1] Deflated by Implicit Price Deflator

Source: Washington State Department of Revenue

STATE OF WASHINGTON
Personal Income by Component
Calendar Years 1975 thru 1984
(Dollars In Billions)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Total Personal Income	22.484	25.174	28.032	32.913	37.878	42.510	47.600	49.952	52.301	55.275
Percent Change	12.6	12.0	11.4	17.4	15.1	12.2	12.0	4.9	4.7	5.7
Total Earnings	16.752	18.689	21.017	24.919	28.595	31.327	33.986	34.678	36.125	37.620
Percent Change	10.6	11.6	12.5	18.6	14.8	9.6	8.5	2.0	4.2	4.1
Wages & Salaries	13.894	15.608	17.631	20.644	24.056	26.656	29.195	29.961	30.703	31.859
Percent Change	11.1	12.3	13.0	17.1	16.5	10.8	9.5	2.6	2.5	3.8
Other Labor Income	0.914	1.076	1.301	1.556	1.785	2.055	2.267	2.542	2.798	3.041
Percent Change	20.8	17.7	21.0	19.6	14.7	15.1	10.3	12.1	10.1	8.7
Farm Proprietor's Income	0.658	0.458	0.331	0.642	0.543	0.489	0.661	0.644	0.783	0.617
Percent Change	(8.6)	(30.4)	(27.8)	94.3	(15.5)	(9.7)	35.1	(2.6)	21.7	(21.2)
Non-Farm Proprietor's Income	1.286	1.547	1.754	2.077	2.211	2.127	1.863	1.531	1.841	2.103
Percent Change	10.4	20.3	13.3	18.4	6.5	(3.8)	(12.4)	(17.8)	20.3	14.2
Less: Personal Contribution for Social Insurance	1.016	1.064	1.147	1.366	1.643	1.830	2.121	2.212	2.311	2.440
Percent Change	13.5	4.7	7.8	19.0	20.3	11.4	15.9	4.3	4.5	5.6
Plus: Residence Adjustment	0.379	0.467	0.415	0.429	0.514	0.559	0.591	0.645	0.687	0.741
Percent Change	52.3	23.4	(11.3)	3.3	20.0	8.8	5.7	9.1	6.5	7.7
Dividends/Interest/Rent	3.052	3.459	3.883	4.729	5.706	6.796	8.589	9.431	9.805	11.155
Percent Change	10.1	13.3	12.3	21.8	20.7	19.1	26.4	9.8	4.0	13.8
Transfer Payments	3.321	3.626	3.867	4.203	4.706	5.659	6.554	7.410	7.995	8.200
Percent Change	23.2	9.2	6.7	8.7	12.0	20.2	15.8	13.0	7.9	2.6

Figures May Not Total Due to Rounding

Source: Washington State Department of Revenue

STATE OF WASHINGTON
Property Tax Valuations and Average Tax Rates
Calendar Years 1975 thru 1984 by Year Due
(Dollars in Millions)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Assessed Valuation[1]										
County	38,211	42,496	48,357	56,089	63,105	73,063	105,678	118,395	137,928	134,963
State	2,548	2,711	3,023	3,079	3,477	3,728	4,202	4,850	5,476	5,803
Total	40,760	45,207	51,381	59,168	66,583	76,791	109,881	123,245	143,404	140,766
Percent Change	+5.6[3]	+10.9	+13.7	+15.2	+12.5	+15.3	+43.1	+12.2	+16.4	-1.8
Total Taxes Levied	806	727	927	1,002	1,064	1,006	1,129	1,243	1,434	1,509
Percent Change	+12.5	-9.8	+27.5	+8.1	+6.2	-5.4	+12.1	+10.1	+15.4	+5.2
Average Tax Rate in Dollars Per Thousand[2]	19.78	16.09	18.05	16.94	15.98	13.11	10.28	10.10	10.06	10.83

[1]County assessed valuations as equalized by the county boards of equalization, and state assessed valuations are valuations of intercounty utilities and private car companies as equalized by the State Board of Equalization for county purposes.

[2]Total taxes levied divided by total assessed valuation. All years adjusted to dollars per thousand levied on 100% assessment level.

[3]Adjusted for increase in assessed valuation from 50% to 100%.

Source: Washington State Department of Revenue, Property Tax Division.

STATE OF WASHINGTON
Selected Financial Ratios
Calendar Years 1975 thru 1984

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
State Debt Per Capita	247.20	255.30	301.18	319.84	332.73	317.51	357.00	440.20	527.19	580.18
State Debt/Percent of Personal Income	3.92%	3.69%	3.99%	3.73%	3.50%	3.08%	3.17%	3.75%	4.32%	4.54%
Total Debt Service/Percent of Personal Income	0.38%	0.36%	0.35%	0.34%	0.32%	0.30%	0.53%	1.02%	0.41%	0.86%
State Debt/Percent of Market Value of Taxable Property	1.67%	1.60%	1.61%	1.45%	1.27%	1.03%	1.04%	1.20%	1.50%	1.60%
Factors:										
Population (in thousands)[1]	3,568	3,635	3,715	3,836	3,979	4,132	4,227	4,264	4,285	4,328
Personal Income (in millions)[2]	22,484	25,174	28,032	32,913	37,878	42,510	47,600	49,952	52,301	55,275
Total Debt Service[3] (in thousands)	84,672	89,794	99,173	112,283	120,913	125,373	252,104	599,146	212,829	474,854
Market Value of Taxable[4] Property (in millions)	52,674	58,140	69,460	84,489	103,916	127,698	144,466	156,893	150,999	156,995
State Debt (in millions)[3]	882	928	1,119	1,227	1,324	1,312	1,509	1,877	2,259	2,511

Sources:
[1]Population Trends for Washington State, OFM, October 1984.
[2]Office of the Forecast Council, September 1985.
[3]Washington State Treasurer.
[4]Washington State Department of Revenue.

NOTE: Inventory Removed from Tax Base in 1983.

STATE OF WASHINGTON
Ratio of Annual Debt Service to Expenditures
All Governmental Fund Types
Fiscal Years 1976 thru 1985
(Dollars in Millions)

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Type Expenditures[1]	Ratio Debt Service to Gen. Fund Expenditures
1976	$ 46.0	$ 52.8	$ 98.8	.....	....
1977	50.1	59.0	109.1	.....	....
1978	48.1	62.8	110.9	.....	....
1979	49.4	66.7	116.1	.....	....
1980	52.2	76.9	129.1	$ 5,028.6	2.6
1981	54.6	81.5	136.1	5,822.5	2.3
1982	57.3	115.4	172.7	5,750.1	3.0
1983	60.9	135.8	196.7	6,326.3	3.1
1984	73.2	177.1	250.3	6,733.3	3.7
1985	86.4[2]	193.8	280.2[2]	7,428.7[2]	3.8

[1]Financial data by Fund type not available from 1976 to 1979.

[2]Excludes $161.8 for refunding of bonds in FY 1985.

STATE OF WASHINGTON
Value of Agriculture Production
Calendar Years 1975 thru 1984
(Dollars in Thousands)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1984 As Percent of 1983
Field Crops	$ 1,077,227	$ 920,547	$ 753,390	$ 961,421	$ 1,012,707	$ 1,432,130	$ 1,412,841	$ 1,356,088	$ 1,484,640	$ 1,451,316	97.8
Fruit and Nut Crops	208,846	283,467	361,937	417,810	457,566	369,823	438,382	388,940	502,141	468,212	93.2
Vegetable Crops	93,933	92,295	86,718	103,679	127,098	117,977	137,000	144,915	138,770	149,730	107.9
Seed Crops[1]	26,045	30,320	27,073	35,325	31,969	41,795	31,975	N/A	N/A	N/A	N/A
Berry Crops	12,747	14,988	18,176	20,840	21,859	17,263	22,279	28,788	26,637	21,410	80.4
Total Crops	1,418,798	1,341,617	1,247,294	1,539,075	1,651,199	1,978,988	2,042,477	1,918,731	2,152,188	2,090,668	.....
Specialty Products[2]	120,356	108,776	149,987	141,595	186,000	160,400	173,192	170,089	179,020	178,330	99.6
Livestock and Livestock Products	454,375	483,460	486,663	602,144	765,929	810,984	881,843	892,485	908,434	937,943	103.2
State Total	$ 1,993,529	$ 1,933,853	$ 1,883,944	$ 2,282,814	$ 2,603,128	$ 2,950,372	$ 3,097,512	$ 2,981,305	$ 3,239,642	$ 3,206,941	.....

[1]Seed crops not available for 1982 through 1984 due to program modifications.

[2]Includes forestry products, nursery products, greenhouse products, other horticultural products and mushrooms.

Source: Washington State Department of Agriculture

STATE OF WASHINGTON
Rank Order of Principal Commodities Value
Calendar Years 1975 thru 1984
(Dollars in Thousands)

	Rank	Value of Production										% Change
	1984	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1984 vs. 1983
Wheat	1	553,071	394,697	284,667	442,152	460,200	637,676	659,932	561,076	636,783	545,190	(14.4)
Milk	2	212,695	243,771	255,920	291,575	343,956	382,754	416,648	439,991	476,019	466,322	(2.0)
Cattle & Calves	3	131,585	144,493	138,230	208,426	256,558	311,142	321,342	335,024	317,284	339,578	7.0
Apples	4	134,200	212,336	270,970	270,648	332,613	247,695	301,530	252,895	348,790	331,915	(4.8)
Potatoes	5	152,145	139,500	141,680	123,737	123,548	193,314	209,034	198,000	229,840	264,701	15.2
Hay	6	138,177	161,436	130,112	125,305	183,309	216,563	171,585	201,894	206,848	224,917	8.7
Barley	7	50,149	48,859	17,672	43,578	43,205	93,848	110,200	110,184	140,352	146,510	4.4
Nursery & Greenhouse Products	8	.....	.....	.....	.....	79,000	90,000	97,000	96,000	100,000	100,000	0.0
Hops	9	30,915	34,039	48,982	34,838	38,454	86,166	89,205	93,067	92,061	87,168	(5.3)
Corn, Grain	10	10,594	12,875	18,003	19,687	34,958	42,240	43,463	72,000	63,712	74,400	16.8
Eggs	11	41,748	47,345	44,823	43,719	49,712	53,095	64,603	60,253	58,110	67,803	16.7
All Pears	12	29,920	27,848	35,000	53,052	52,557	54,592	55,352	52,005	48,973	56,450	15.3
Sweet Cherries	13	20,429	18,788	25,427	46,966	41,101	30,139	41,479	37,888	55,709	40,654	(27.0)
Asparagus	14	14,379	18,727	21,815	24,335	26,371	20,894	29,268	33,145	35,158	37,454	6.5
Chickens & Broilers	15	18,573	19,633	21,084	23,389	26,842	27,894	33,716	29,760	30,856	36,953	19.8
Green Peas, Processing	16	.....	.....	.....	.....	30,967	18,406	17,907	25,455	20,037	26,932	34.4
Corn, Silage	17	21,460	24,548	21,120	18,895	20,900	27,531	24,182	30,360	28,750	26,450	(8.0)
Mint Oil	18	18,159	19,994	29,724	27,240	17,116	19,885	16,365	13,409	17,814	25,948	45.7
Sweet Corn, All	19	21,110	15,023	14,996	20,450	23,214	20,675	23,909	35,856	24,187	21,240	(12.2)
Grapes	20	16,420	15,299	21,648	35,717	20,971	25,865	30,102	31,299	34,252	20,853	(39.1)
Onions	21	6,760	6,262	5,727	11,552	8,215	14,562	22,330	7,910	21,558	20,392	(5.4)
Dry Edible Peas	22	13,201	14,961	6,302	16,800	13,884	17,993	14,729	18,614	19,161	14,924	(22.1)
Lentils	23	13,838	16,341	7,286	21,930	35,160	43,358	22,688	21,165	9,775	12,933	32.3
Dry Edible Beans	24	11,934	6,006	6,627	9,275	19,200	29,700	25,530	10,341	6,497	12,443	91.5
Carrots	25	5,218	8,793	6,791	5,171	8,376	11,128	9,781	7,436	8,871	10,941	23.3
Peaches	26	4,112	4,312	4,223	5,472	4,991	5,549	4,719	6,021	6,244	9,239	48.0
Hogs	27	8,390	9,641	8,784	11,463	12,741	18,214	12,087	9,477	9,660	8,992	(6.9)
Red Raspberries	28	4,109	4,361	6,531	9,335	8,854	4,700	6,916	11,892	7,482	7,675	2.6
Mink	29	.....	.....	.....	.....	7,740	6,417	6,912	5,909	5,504	5,824	5.8
Strawberries	30	4,992	6,945	5,626	4,452	5,696	6,038	6,440	8,072	7,777	5,424	(30.3)
Cranberries	31	1,796	1,401	2,570	3,016	3,925	3,442	5,379	4,192	6,450	5,408	(16.2)
Mushrooms	32	.....	.....	.....	.....	.....	.....	4,713	5,688	5,474	5,186	(5.3)
Oats	33	3,156	3,175	1,957	2,819	2,973	3,906	3,504	3,478	3,347	3,672	9.7
Lettuce	34	1,236	1,845	1,591	1,612	2,387	3,072	3,112	2,398	3,080	3,373	9.5
Prunes	35	2,184	2,484	2,244	3,174	2,822	3,436	1,688	3,454	2,374	2,716	14.4
Sheep, Lambs and Wool	36	2,576	2,833	2,398	3,289	3,140	3,002	3,270	2,687	2,430	2,560	5.3
Blueberries	37	1,484	1,676	2,445	3,092	2,626	2,790	2,783	4,283	4,637	2,465	(46.8)
Apricots	38	952	853	889	753	865	965	771	1,529	1,751	1,665	(4.9)
Snap Beans, Processing	39	.....	.....	558	917	1,441	1,478	829	1,227	811	823	1.5
Tart Cherries	40	.....	.....	.....	.....	317	317	343	308	674	665	(1.3)

Source: Washington State Department of Agriculture

STATE OF WASHINGTON
International Trade Facts
All Washington Ports
Calendar Years 1977 thru 1984
(U.S. Dollars in Millions)

	1977	1978	1979	1980	1981	1982	1983	1984
Exports[1]	5,448	7,181	10,920	14,023	14,735	11,345	12,125	12,860
Imports	8,442	10,022	13,004	16,128	18,043	16,079	17,863	19,190
Trade Balance	(2,994)	(2,841)	(2,084)	(2,105)	(3,308)	(4,734)	(5,738)	(6,330)
Two Way Trade	13,890	17,203	23,924	30,151	32,778	27,424	29,988	32,050

Includes Boeing Co. Figures

[1] These figures indicate total international trade from the state of Washington, including bonded shipments to other states and Canada.

STATE OF WASHINGTON
Major Export Trading Partners
Calendar Years 1977 thru 1984
(U.S. Dollars in Millions)

	1977	1978	1979	1980	1981	1982*	1983*	1984*
Japan	1,212	1,679	1,958	3,154	2,723	2,462	2,325	2,970
Canada	1,461	1,704	2,232	2,356	2,559	1,865	1,971	2,295
South Korea	226	359	482	628	669	599	786	1,010
Taiwan	95	174	260	358	443	269	484	720
China	7	40	71	142	169	203	234	292
Hong Kong	36	51	75	128	181	137	152	282
Australia	66	456	83	138	134	165	101	161
Singapore	19	26	39	74	88	85	135	105
United Kingdom	60	51	64	78	86	81	73	82
Egypt	.....	456	246	21	100	95	72	41

Sources: Port of Seattle (All Washington Ports) — Waterborne Trade U.S. Dept. of Commerce, International Trade Administration — Canada, All Modes.

*Based on waterborne trade, except for Canada.

STATE OF WASHINGTON
Major Import Trading Partners
Calendar Years 1977 thru 1984
(U.S. Dollars in Millions)

	1977	1978	1979	1980	1981	1982*	1983*	1984*
Japan	2,712	3,303	3,897	4,900	6,410	6,239	6,668	10,633
Taiwan	704	1,029	1,572	2,030	2,052	1,748	2,347	3,180
Canada	1,918	2,289	2,695	2,606	2,684	2,419	2,730	3,164
South Korea	509	639	855	1,177	1,279	1,024	1,334	1,969
Hong Kong	529	623	1,059	1,335	1,318	1,104	1,189	1,673
Australia	296	374	460	502	458	449	421	546
Singapore	87	112	208	316	340	353	374	457
Indonesia	412	483	565	860	637	498	663	362
China	22	42	119	140	188	206	246	327
United Kingdom	18	27	32	53	82	59	34	40

Sources: Port of Seattle (All Washington Ports) — Waterborne Trade U.S. Dept. of Commerce, International Trade Administration — Canada, All Modes.

*Based on waterborne trade, except for Canada.

STATE OF WASHINGTON
Public School Enrollment Grades K-12
Average Annual Full-Time Equivalent Enrollment[1]
Academic Years 1975 thru 1985

Academic Year	Grades K-8	Grades 9-12	Total All Grades
1975-76	501,090	247,016	748,106
1976-77	495,825	248,538	744,363
1977-78	493,098	248,987	742,085
1978-79	489,468	245,449	734,917
1979-80	489,876	239,574	729,450
1980-81	489,452	233,164	722,616
1981-82	484,703	228,061	712,764
1982-83	477,511	224,263	701,774
1983-84	473,620	225,999	699,619
1984-85	471,601	230,946	702,547
Annual Average for 10 Year Period	486,624	237,200	723,824

Source: Washington State Superintendent of Public Instruction.

[1] Full-Time Equivalent student defined as:

a. Kindergarten — 4 classroom hours/day for 90 days or 2 classroom hours/day for 180 days.

b. Grades 1 thru 3 — 4 classroom hours/day for 180 days.

c. Grades 4 thru 12 — 5 classroom hours/day for 180 days.

STATE OF WASHINGTON
Public Higher Education Enrollment
Average Annual Full-Time Equivalent Enrollment
Years 1975 thru 1985

Year	Community College	4 Year Schools	TOTAL
1975-76	86,772	70,594	157,366
1976-77	83,291	70,475	153,766
1977-78	85,666	71,115	156,781
1978-79	88,193	70,542	158,735
1979-80	97,848	72,487	170,335
1980-81	100,357	74,164	174,521
1981-82	86,101	71,768	157,869
1982-83	82,110	70,012	152,122
1983-84	82,317	69,966	152,283
1984-85	83,225	69,570	152,795
Annual Average for 10 Year Period	87,588	71,069	158,657

Source: Washington State Office of Financial Management.
Washington State Higher Education Enrollment Reports, 1974-84.

Washington State Board for Community College Education, MIS-1 Report.

STATE OF WASHINGTON
Domestic Financial Institution Deposits
Calendar Years 1975 thru 1984
(Dollars in Millions)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
National Banks[1]	8,102	10,613	10,558	12,160	14,721	17,302	16,269	16,284	16,850	18,224
Percent Increase	10.6	31.0	(.5)	15.2	21.1	17.5	(6.0)	.1	3.3	8.3
State Chartered Banking Institutions[2]										
Commercial Banks	1,573	1,685	1,911	2,294	2,637	2,741	2,788	3,028	3,564	3,881
Percent Increase	14.7	7.1	13.4	20.0	15.0	3.9	1.7	8.6	17.7	8.9
Mutual Savings Banks	2,474	3,177	3,437	3,635	3,867	4,060	3,905	3,601	4,537	4,796
Percent Increase	15.5	28.4	8.2	5.8	6.4	5.0	(3.8)	(7.8)	26.0	5.1
Branches of Foreign Banks	186	228	259	362	419	322	412	466	630	563
Percent Increase	106.7	22.6	13.6	39.8	15.7	(23.2)	28.0	10.7	35.2	(10.6)
Federal Chartered Credit Unions[3]	300	378	479	561	599	644	650	740	850	1,061
Percent Increase	19.5	26.0	26.7	17.1	6.8	7.5	.2	13.9	14.9	24.8
Federal Chartered Home Loan Banks[4]	3,600	4,000	4,600	5,100	5,400	5,700	5,700	7,000	8,330	8,873
Percent Increase	20.0	11.1	15.0	10.9	5.9	5.6	-0-	22.8	19.0	6.5
State Chartered Credit Unions[3]	500	632	780	899	906	1,036	1,062	1,287	1,556	1,841
Percent Increase	23.8	26.4	23.4	15.3	.8	14.4	2.5	21.2	20.9	18.3
State Chartered Savings and Loan Associations[5]	877	1,038	1,240	1,421	1,598	1,741	1,674	1,251	1,374	1,896
Percent Increase	25.6	18.4	19.5	14.6	12.5	9.0	(3.9)	(25.3)	9.8	38.0

[1] Source: Comptroller of the Currency, Washington D.C.
[2] Source: Washington State Department of General Administration, Division of Banking and Consumer Finance.
[3] Source: Washington Credit Union League, Seattle, Washington.
[4] Source: Federal Home Loan Bank, Seattle, Washington.
[5] Source: Washington State Department of General Administration, Division of Savings and Loan Associations.